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NEWS SUMMARY

GENERAL

Army carrier sent to riot jail

An Army Saracen armoured personnel carrier was rushed to Hull jail where rooftop rioters have pinned down a number of prison officers in the administration block. The officers were unable to escape without being hit by a hail of missiles from the demonstrators.

Prison officer reinforcements were on their way last night from Leeds, Northallerton, Manchester, Wetherby and Hatfield, near Doncaster. Nearly 100 long-term prisoners have been evacuated. The men were led handcuffed from the prison's back door to coaches waiting to transfer them to other jails in the region.

Carnival rioters from far afield

Of 60 people arrested after the Nottingham Hill carnival riot—50 West Indians and 10 whites—41 were from outside the immediate area. Scotland Yard said. Nine of 10 came from south London and others from Shepherd's Bush, Maida Vale, West Kensington, Ealing, Hendon, Camden Town and Harlesden. Some were from Birmingham, Sandwich and High Wycombe.

Irish emergency

The declaration of a state of emergency sought by the Irish Government was passed by both houses in the Dublin Parliament by 70 votes to 65. Back Page

More water cuts

Companies in north-west Gwent, Wales, have been asked to 50 per cent of their usual supply of water and standpipes, to be used almost immediately, are being put up in the south-west of Yorkshire. Back Page

Go-slow still on

The go-slow by Spanish air traffic controllers is to go on. Page 6

Cancer toll down

For the first time in more than half a century the number of deaths in England and Wales from lung cancer has gone down, the Office of Population Censuses and Surveys said. The number of women dying from lung cancer continues to rise.

Quieter Mao

There is growing evidence that Chairman Mao is withdrawing from the Chinese leadership and he may no longer be in Peking. Page 5

Sixth blaze

There was another blaze in the geriatric wing of St. James's hospital, Leeds, as three were investigating fire in the building.

FBI probe

President Ford has ordered an investigation into allegations that Mr. Clarence Kelley, director of the FBI, accepted expensive gifts from subordinates. Earlier story Page 4

People and...

Princess Charles commanded the 47-ton minesweeper Bronington as it sailed within half a mile of the heavily-guarded East German frontier near the Baltic seaside town of Travemunde.

... places

East Anglia: Visitors to the area should be charged 10p and the cash used to improve amenities on the coast, it was suggested by Tendring District Council.

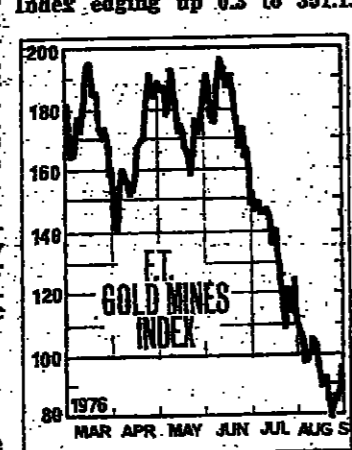
BUSINESS

Wall St. up 12.21; gold mines rise 8.5

WALL STREET rose 12.21 to 855.95, buoyed by market optimism about prospects for curbing U.S. inflation.

GILTS showed a modest improvement in thin trade. Several long-dated stocks rose, while short-dated issues, a little uncertain, gained.

EQUITIES were generally becalmed, with the FT 30-Share Index edging up 0.3 to 351.1.



But a rise in the bullion price encouraged U.S. support for Gold Mines, which rose 8.5 to 95.7. Closures planned, Mining News, Page 22.

STERLING eased in fairly quiet trading, closing at \$1.7750, off 25 points. Its trade-weighted depreciation widened to 39.6 (39.4) per cent; dollar's widened to 2.54 (2.51) per cent.

GOLD rose \$1.50 to \$105.00, on moderate buying.

MEXICO, beset with rapid inflation, has devalued the peso for the first time in 22 years by abandoning its fixed parity with the U.S. dollar and allowing it to float downwards. Page 4

Hopes dashed at Leyland

DISPUTE at Leyland's Longbridge plant is settled, but hopes for a return to normal car production have been dampened by other, worsening strikes. Back Page

PETROL retailers will be able to adjust their petrol pumps to blank out the price or show half-price — because inflation has caused problems with the mechanism. Page 8.

SURMAH OIL has cleared an obstacle in its plan to become a big carrier of liquefied natural gas by reaching agreement on revised terms for a 20-year contract to ship supplies from Indonesia to Japan. Back Page

BRITISH STEEL will send letters to customers over the next few days outlining its plan to raise prices on a wide variety of products by an average of 10 per cent. Back Page

NATIONAL CASE REGISTER is to make 600 workers redundant at its Dundee factories. Page 8

DIAMOND market's continuing strength is reflected in De Beers' decision to resume development of its Koiungas deposit, where work was suspended in 1971. Page 22

VOLUME of world exports will reach a new peak this year, according to a GATT forecast. Page 4

COMPANIES

DECCA pre-tax profit rose to £13.5m (£13.2m), on higher turnover of £170m (£154.3m) in the year to March 31. Page 18 and Lex

ALBRIGHT AND WILSON reports pre-tax profit up from £19.9m to £14.7m in the first half of the year. Page 19 and Lex

MECCA has received 18 offers for the Clubman's membership subscriptions concern, which it recently put on the market at £100,000. Page 22

Callaghan to study jobless proposals after TUC appeal

BY ALAN PIKE, LABOUR STAFF

Members of the TUC economic committee yesterday made an anxious pre-Congress appeal to the Prime Minister for new Government measures to reduce unemployment, which last week rose above 1.5m. for the first time since the war.

The Prime Minister agreed to meet the committee after the next week's annual Congress and asked them to detail some of the TUC's proposals for cutting unemployment in a written paper for this meeting.

But Mr. Len Murray and his colleagues left London for pre-Congress meetings in Brighton last night without any firm new Government proposals for immediate action to present to delegates next week.

Mr. Murray, questioned after the 24-hour meeting about forecasts that unemployment might linger around the 1m. mark for the next four years, said he did not believe that the agreement between the Government and the TUC would survive. Mr. Murray employed for so long a period, he emphasised, that the social contract was "alive and kicking."

The TUC general secretary said: "We are not talking about it dying. We are talking about keeping it healthy and I am sure Congress next week will endorse that view." Union leaders were nonetheless, unhappy and anxious about the present level of unemployment.

Yesterday's meeting with the Prime Minister was requested by the unions in response to figures of the week's unemployment figures. Mr. Callaghan was accompanied by the talks by Mr. Denis Healey, the Chancellor, Mr. Eric Varley,

Industry Secretary, Mr. Albert Booth, Employment Secretary for Mr. Edmund Dell, Trade Secretary.

The Prime Minister and his colleagues stressed the Government's view that unemployment may now be at its peak, pointing to signs of growing job vacancies and a reduction in the number of workers on short time. But Mr. Murray said afterwards the TUC was "not absolutely convinced" that this was the case.

Investment
Familiar themes from the TUC's economic review will dominate the paper which Mr. Callaghan has asked for at the next meeting, expected to take place towards the end of this month and before the Labour Party conference. The TUC will call yet again for increased selective import controls, extension of the activities of the National Enterprise Board, a more determined investment drive in manufacturing industry and more work on planning agreements.

Ministers responded to demands for import controls at yesterday's meeting by warning that at a time when the Government was preparing for an export-led boom, controls were likely to invoke widespread retaliation. However, the Government undertook to look at

any case made out by the unions for controls in a particular industry.

Mr. Murray conceded after yesterday's talks that the Government had not gone so far as to suggest it would accept any of the TUC proposals but said Ministers had "shown interest." He said the Congress next week would demonstrate that the anxiety about unemployment expressed by union leaders yesterday was shared by the trade union movement as a whole, and the Government was being warned that it must "watch it."

Next week's debate on unemployment at Brighton will certainly arouse the deepest emotions of the trade union movement. Many motions have been tabled condemning the present position.

A mass lobby of the Congress is being planned for Wednesday the behaviour of both these indicators over the next year and that it also favours, at the least, the regular publication of targets for both of them. There is also a feeling among some senior staff that DCE needs to be controlled much more tightly than at present.

The General and Municipal Workers' Union yesterday demanded immediate Government action to curtail imports of glass from Hungary, Romania, Poland and Czechoslovakia and to direct British Leyland to use British-made glass for wind-screens and windows.

Editorial comment Page 16

But they have little or no chance of blocking the proposed changes as Mrs. Gandhi's Congress Party has overwhelming majorities in both Houses of Parliament.

Mrs. Gandhi sat through yesterday's onslaught without comment. But Mr. Gokhale denied the opposition's charges that the Bill was being rushed through Parliament or that it would alter the basic features of the Constitution.

The legislation, he said, was only at this stage being submitted for consideration, and even criticism. The opposition were "trying to mislead the people."

Another provision of the amendments is that India would be officially declared a "Sovereign Socialist Secular Democratic Republic."

Central and State Assemblies would be frozen at their present number of seats until the year 2001 and emergency laws now in force would continue indefinitely. These provide for jail sentences for up to two years without charges.

A section dealing with the fundamental duties of citizens provides for conscription in time of war or emergency, and for safeguarding public property.

Editorial comment Page 16

THE FIRST closing date on Tate board was still confident that the vulnerable if only one cane sugar producer were left in the U.K.

The Manbré defence has focused mainly on the monopoly of Tate. But ten days ago, in a formal defence document, the company forecast that profits for the current financial year would be £10m., and also that there would be a dividend increase from 6.15p to 10p.

Tate's counter-document has been prepared and will be released to shareholders, provided Mrs. Williams gives clearance to the bid.

The Manbré share price went ahead 4p yesterday to 162p, while Tate remained unchanged on the day at 230p.

U.K. may make new approach to IMF

BY DAVID BELL

WASHINGTON, Sept. 1. THE BELIEF that Britain may have to make a new application to the International Monetary Fund was considerably strengthened today when the Federal Reserve in New York confirmed that Britain drew about \$1.1bn. from the \$5.3bn. swap agreement up to June 30. There were no drawings in July.

But the possibility is not excluded that such an application might be accompanied by some form of extension of the stand-by credit which expires in December.

Some indication of how much of the credits may have been drawn since July may come tomorrow with the publication of the British monthly reserve figures. These may show how much of its own reserves Britain used last month and also the amount of public sector borrowing overseas.

If Britain does apply to the IMF it appears likely, according to these sources, that Fund staff will pay particular close attention to the growth of the money supply and the rate of Domestic Credit Expansion.

There are indications that the Fund would like to see more detailed British projections of the behaviour of both these indicators over the next year and that it also favours, at the least, the regular publication of targets for both of them. There is also a feeling among some senior staff that DCE needs to be controlled much more tightly than at present.

Editorial comment Page 16

Beyond this, however, many senior IMF officials concede that Britain is doing, or already has done, many of the things on which the Fund might have insisted had it applied three months ago.

The success of the Government's wage policy is acknowledged and the 1980 public sector borrowing requirement estimate for the next fiscal year is considered to be more realistic than others in the recent past. But it has yet to be examined in very close detail.

The Fund is also conscious of what it sees as political instability in some parts of Europe and is loath to be seen imposing stringent conditions which could make it more difficult for the British Government to solve its

Pay policy

Continued on Back Page

£ in New York

	Sept. 1	Previous
Spot	\$1.7750-7750	\$1.7750-7750
1 month	1.26-1.27	1.22-1.17
3 months	2.42-2.47	2.41-2.38
12 months	12.20-12.10	12.10-11.90

But their legal responsibility would be to the company and there would be no differentiation on this between any of the Board members. The report may also decide to recommend a maximum and minimum size for a Board based on the average of about 15 for large companies.

Trigger
They are now believed to be discussing future tactics among themselves and with the CBI. One possibility is to go along with the idea of worker directors as a distant possibility but not as an early innovation.

The main stream of the committee's thinking is hardening around a single-tier Board structure with trade unions being given the power to "trigger" a Boards based on the average of about 15 for large companies.

Balance
The chairman would be drawn from this third slice, which would hold the balance of power between the two larger vested interests.

The TUC representatives on the Committee have been adamant that the proposals should not lead to trade unionists becoming "integrated" into a German-style co-determination, and the final report may well spell out a need for existing collective bargaining and lower-level participative schemes to be strengthened to back up the worker directors.

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Bullock plans Boards with three groups

BY JOHN ELLIOTT, MANAGEMENT EDITOR

A PLAN for Boards of directors of Britain's 600 biggest companies with more than 2,000 employees to be elected in three sections is being drawn up by members of the Bullock Inquiry on industrial democracy in the private sector.

The idea is that, if a ballot of all the workers in a company came out in favour, representatives of trade unionists and of shareholders would take the two largest equal slices in a single-tier Board structure. They would then together nominate a minority third slice and members of all three groups would have equal legal responsibilities.

This is the latest view to gain favour among influential members of the committee which is about to begin detailed drafting of its report. It is holding a special two-day week-end session at the Civil Service Staff College, Sunningdale, next month to thrash out the major points.

The Committee intends to present its report to Mr. Edmund Dell, Trade Secretary, before Christmas, which means that the Government is likely to publish it by mid-January.

Progress
No final decisions have yet been taken. The rate of progress at Sunningdale and in subsequent meetings depends to a considerable extent on the views of the three employers' representatives, who could produce a powerful minority report.

They are Mr. Norman Biggs, chairman of Williams and Glyn's Bank, Sir Jack Callard, former chairman of ICI, and Mr. Barrie Heath, chairman of GKN. So far they appear to have broadly gone along with the committee's progressive conversion to the idea of trade union worker representatives, and Lord Bullock, the chairman of the inquiry, has managed to steer discussions away from controversial detail.

However, between now and the end of the year the three employers have to decide whether to fall back on the CBI's firm opposition to the TUC's trade-union-based worker-director idea. That would mean dissenting from much of the report.

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Bunraku

by B. A. YOUNG

Bunraku is the art of the National Puppet Theatre of Japan, based in Osaka, the traditional home of Japanese puppetry. The puppets are about one-half life-sized, little figures dressed with all the splendour of the Japanese theatre. Male puppets are operated by three men; the leader works the head, the eyebrows and the right arm, the assistant works the left arm and the body, and a third operator controls the legs. Female puppets have no legs, and may therefore be worked by two. There are also some less elaborate puppets for bit parts which need only one.

The stage presents only the action of the plays. The story is read from a book by a *torii* reciter at the side of the stage, and he is accompanied by a *shamisen*, a banjo-like instrument with three strings. On the stage the puppets are taken through their parts with the operators in full view, in the Japanese theatre, however, anyone dressed in black is invisible, so although there may be as many as 15 puppet-operators and stagehands on stage, a devotee no one is to be seen but the characters of the story.

And in my experience it is true that, after a bit of practice, this is so. At the Lyceum I was sitting in the circle, which is not an ideal place to watch bunraku theatre from, since too much of the work is showing: none the less, by the time we had reached the story of the Double Suicide in the Tenjin Woods in the second half of the programme my attention was confined to the dolls, and how they were manipulated was no longer of concern to me.

The two tales in the company's first programme are both by the master Chikamasa Monzaemon (1653-1725). The first of them deals with the fate of an exiled priest who gives up his chance of rescue in favour of a woman; the second with an ill-starred love affair ending in suicide. Even if I could, I wouldn't tell the stories in detail: for British viewers the pleasure is in the beauty of the dolls and the scenery and the subtle skills of the operators.

Though there are moments of big dramatic impact, such as the arrival of the ship in the first play and the moment at which the priest Shunikan matches the sword from the scabbard of his adversary, some of the quieter moments are equally impressive, the little movements of the head of a weeping woman, for example.

In the final scene of the suicide play, there are two *torii* reciters, speaking and singing, sometimes in turn and sometimes together, and three *shamisen* players; also the principal operator of each doll is allowed to show his head instead of cloaking it in a black mask.

Bunraku got its name from the family of Bunrakuken in the early 17th century, and the company that is now the National Puppet Theatre stayed in the hands of their descendants until 1909. The theatrical company that then took them over found public interest so much on the decline that occasionally was the only way to keep the art alive was to make it a family story to Western ears.



Amanda Waters and Dean Harding in "Wild Bees of London" which opened last night at the Cockpit Theatre

Record Review

Two American operas

by MAX LOPPERT

Joplin: *Treemonisha*. Balthrop, Allen, Rayam, White, etc./Orchestra and chorus of original production/Schuller. DG 2707 088 (2 records) £7.18 Cassette £7.38

Moore: *The Ballad of Baby Doe*. Sills, Cassel, Bible, Hecht, etc./New York City Opera Orchestra and Chorus/Buckley. DG 2709 061 (3 records) £10.77

In the full and lavishly decorated (if not always very concise or pointed) booklet that accompanies the recording of Scott Joplin's *Treemonisha*, the Joplin enthusiast, editor and publisher Vera Brodsky Laurence chronicles the story of the composer's obsessive attachment in the last decade of his life to his only opera, and his desperate attempts to have it staged. It makes sad reading. (A single desultory read-through at a Harlem rehearsal hall in 1915 was organised and paid for by Joplin himself; two years later he was dead in a state asylum.) Until a 1972 concert performance, prompted by renewed interest in Joplin and the rag, it was left unread and unconsidered; on the successful Houston first stage production of 1975, later transferred to New York, the new recording is based.

Treemonisha soon confounds—and it must be admitted, at first, disappoints—expectations. If the imagination could conceive, and flesh out, an opera written by the syphilitic black composer of books of infinitely subtle and rhythmically delicate piano rags, it would hardly be the work heard on the DG album. For one thing, only three short numbers in a work occupying four sides are rags: the spirited and perky "We're goin' around," "Aunt Dinah has blowed de horn," and the final apotheosis of *Treemonisha* as she becomes leader of the plantation village, "A real slow drag." Exciting, toe-tapping they are—but the rest of this "number" opera is a mixture of musical styles as curious, ill-balanced and sometimes quaintly appealing as Joplin's own libretto, with its incoherent, untrained, educated and now 15 years old, who shows black ignorance and superstition out of the neighbourhood.

Alongside the hymn-tune-type sequences—four bars square, there can be found slow, and courteous operetta duets in waltz-time, vocal writing that leans now to Stephen Foster, now to Gounod and now to Weber, a curious half-spoken kind of recitative—and a general air of throw-it-into-the-pot that at its best manifests fragile charm. Sometimes the naïveté of the dramatic technique is so patent, the sense of theatre so remote (as in several numbers at least three verses too long), that the pace slows down to boredom level, and one wonders whether the revival was not an act of self-deluding piety. And yet the tunes stay, oddly and persistently, in the memory.

Gunther Schuller, conductor and tactful instrumenter of the piano score Joplin nearly bankrupted himself in having published, describes *Treemonisha* as "one of those wondrous sui generis creations which our musical culture occasionally makes, a curious alchemical mixture which would certainly have failed in the hands of a lesser talent than Joplin's." A possibly too kindly, but certainly perceptive account of an intriguing work. The performance, obviously authentic, is charged with a commitment that makes for one or two rather rosy voices among the soloists. The heroine, Carmen Balthrop, young-sounding, fresh and captivating of tone not always perfectly secure in placing, has just the right wide-eyed sweetness. *Treemonisha* is worth investigation.

That American opera is a field riddled with question-marks and problems—problems of idiosyncrasy, of the proper territory to be charted when the popular music-dramatic forms have at their best achieved such striking security of purpose and breadth of expression—was a persistent reminder during hearings of *Treemonisha*. It returned, inescapably, during Douglas Moore's *The Ballad of Baby Doe*, one of the few American operas to win, since its first performance in 1956, something like native popularity. A dramatic narrative taken from events of American mining history, *Baby Doe* tells the tale of the romance between Elizabeth "Baby" Doe and Horace Tabor, the Colorado silver millionaire whose obstinate belief in the power of silver brought about his eventual ruin and then death to his second wife (she froze to death, in 1896, in a shaft beside Tabor's abandoned silver mine, the Matchless Mine).

From such colourful material Moore and his librettist John Latouche have made an entertainment that is an infinitely more certain and sophisticated "number" opera than Joplin's—smooth in its succession of storybook scenes, approachable in its idiom of "vocalisation" in period tunes and rhythms, varied and determinedly lively. It offers three star parts set in a galaxy of "cameos": a sweet, seductive high soprano to carol above the stage Baby Doe; a firm, robust, mature baritone for Horace Tabor; and, as abandoned first wife, a meaty dramatic mezzo—strongly accented here by Frances Blaisdell. More important, it crafts, out of and half-infectious kind of recitative—and a general air of throw-it-into-the-pot that at its best manifests fragile charm. Sometimes the naïveté of the dramatic technique is so patent, the sense of theatre so remote (as in several numbers at least three verses too long), that the pace slows down to boredom level, and one wonders whether the revival was not an act of self-deluding piety. And yet the tunes stay, oddly and persistently, in the memory.

The trouble is that that level lies so low as to be almost beneath serious consideration. It is not the self-conscious yet somehow secondhand tunefulness-at-all-costs of the score that prompts growing irritation (the chunks of ragtime numbers built on a blubbery song, churchy choruses, sugary love duets, and so on), so much as the almost complete failure of the composer to establish any solid musical foreground against this local-colour background, to promote any sense in the listener that there is more to the enterprise than, pastiche, brahmy orchestration. *Baby Doe* inhabits the sustained high style of operetta, the verve and bite of the musical, and the purposeful drawing together of forces of opera. It is not a substantial opera, and, certainly, not a serious or worthy opera. Compared with its easy, cosy evasiveness and showy period plumes, a musical like *Gypsy* seems a Wolf song of pithiness, subtlety and sharply directed aim.

The recording, made in 1968, boasts another well-tired in per-

formance, with players of vitality and experience (all from the original casts or early revivals of the opera), and a small of the stage about the whole production. I first encountered the set ten years ago—it was an American import then—when the name Beverly Sills was beginning to be heard internationally; and felt even then, as I do now, that in this exhibition of a young, well-equipped voice there were already traces of witness at points in her compass. But the glamour, the intelligent acting, the emanation peculiar to a "special" performer, were qualities already present—with her on stage, the role of Baby Doe might well seem less one-dimensional. But then, the stage probably fills out the insubstantiality of the whole opera.

Edinburgh Festival

Gewandhaus Orchestra

by RONALD CRICHTON

The second week of the ever-generous Festival finds two of the most famous and historical orchestras from German-speaking lands sharing the Usher Hall with the London Philharmonic and the Scottish National Orchestra. The Vienna Philharmonic gives three concerts, two under Abbado, one under Böhm. But first it was the turn of a less-frequent visitor, the Gewandhaus Orchestra from Leipzig. Their concert last night, the second of two, was conducted by Kurt Masur, their chief conductor since 1970. Each programme contained a work from beyond the curtain—Shostakovich on Monday, Szymanowski last night.

The Polish composer's Second Violin concerto, though it made a rare appearance in London last season, is less potentially popular than its luscious, strangely neglected predecessor. But through the soaring melodic flights of the first concerto may

be lacking, so is the indulgently rhapsodic aspect. The second is more tightly organised, in two movements linked by a big cadenza that sound and indeed is so organically a part of the music that it comes as a surprise to be reminded that it was the work (under Szymanowski's supervision) of the Concerto's first player, Paul Kochanski. The soloist this time was Wanda Wilkomirska, who felt her way sensitively (though her intonation in the first movement was not always reliable) through the over calculated and flimsy. Any slight sense of anti-climax was soon erased however, by a heart-warming *Meistersinger* overture given as an encore in response to a long ovation.

Book Reviews are on Page 23

Jeannetta Cochrane

Stag Night

by MICHAEL COVENEY

The scene of Willis Hall's gentle comedy for the National Youth Theatre is a stage where the lads are assembled for a disaster-ridden occasion, from the moment the limb-stretching vicar clamps down on chips with the chicken to the final straw when the assembled unfaithful throw a well-rehearsed punch-line in the face of a struggling comedian. In between, the male bastion is infiltrated by a couple of girls, one of whom is a non-stop chatter-box, the other a dab hand with the lighting board; and only one, fat middle-aged stripper turns up, to be stopped on the brink by the discovery of her pimply son lurking behind the beer bottles.

There is plenty of good detail in the playing of Barrie Rutter's production: Tim Spall's Sammy Sunshine, reduced to Bruce Forsyth catch phrases and a desperate attempt to awaken the ghost of Max Miller with the voice of Max Bygraves, is a careful study in professional failure; Hilary Jones's plump stripper ("She's not a turn, she's a senior citizen") commands the stage with fearful, fluttering ease; and Alan Tait, as the dejected Smithson, is consistently sympathetic in stemming the orchestra's expressions of dissent and disappointment as the evening collapses slowly around him.

One suspects, however, that there is a strong middle-aged voice yearning to assert itself in all this, a suspicion confirmed when the comedian and the stripper play the best scene of the play backstage of the main

action, referring their respective situations to a canvas of lost innocence and domestic upheaval. That resonance is lacking in the rest of the play, and for too long we listen to admirably written dialogue flapping inconclusively around a static stage picture. Some of the ensemble grace notes are unconvincing, too: would a coloured lad really seize his chance on the platform with a chorus from Gilbert and Sullivan? Would the comedian's first had joke really be hailed with a derisive parody of Leslie Sarony? At such moments one feels that Mr. Hall is investing his young characters with a cultural heritage they would have long since abandoned.

That said, one wonders where else in the country, where else

but under the auspices of the NYT, would so carefully constructed and elegant a vehicle be found for the cohorts of stage-struck youngsters who, for the rest of their school careers, must be satisfied with indifferent productions of Shakespeare and Sheridan, Osborne and Bolt. The central economic motive for the stag night is to raise funds for the football team's forthcoming trip to Amsterdam; we hear less of the traditional cry for the blacking of the host's genitals, that terrible ceremony conducted on a beer-soaked stage to the accompaniment of yahoo braying. The play never gets that far, and it is Mr. Hall's creditable achievement that he defines his area of interest from the outset and sticks to it doggedly until the final curtain.

Young conductors' contest

The Rupert Foundation has announced the final list of 22 candidates who will contest the third competition for young conductors, organised in association with the BBC. More than 300 inquiries were received from all over the world, from which the 22 outstanding applicants were chosen. Eleven nationalities will be represented during the competition to be held in London from September 27 to October 1. The competition is open to conductors of any nationality aged between 20 and 28 and offers the winner a bursary and travelling allowance of £5,000. The preliminary stages will be held at The City University on September 27. The intermediate stages will be held on September 28 and 29 at a BBC studio in Maida Vale. The two finalists will conduct at a public concert on October 1 at Fairfield Halls, Croydon, one conducting Beethoven's Symphony No. 1 and the other Beethoven's Symphony No. 8 in the first half. Sir Charles Groves will conduct Elgar's *Enigma Variations* in the second half, while the adjudication is taking place. The winner will be announced at the end of the concert, which will be broadcast live by BBC Radio 3, and on BBC Television on December 5.

Albert Hall/Radio 3

Weber and Wagner

by ELIZABETH FORBES

On Tuesday Colin Davis brought the Orchestra of the Royal Opera House, Covent Garden, to the Albert Hall for a Prom that commemorated both the 150th anniversary of the death of Weber and the centenary of Wagner's *Ring*. As bleeding chunks of Wagner are no longer considered the thing these days, the only music by the master of Bayreuth so far heard at the Proms this year has been the *Siegfried Idyll*, a fortnight ago, Covent Garden, about to stage a complete *Ring* cycle later this month, offered a trailer last night in the form of Act I of *Die Walküre*.

The orchestra, as if glad to escape for once from the confines of a theatre pit, was in excellent shape. The fewer strings, the better, in particular and the section leader Rowena Ransell in her solo most especially, played with a warmth and vibrancy that beautifully evoked the instantaneous love blossoming between the Wälsung twins, Siegmund and Sieglinde. The brass too, rang out in mellow tones—the trombones' first hint of the Valkyrie motive as Siegmund speaks of his father provided a magical moment. The storm that opens the opera could have been more violent, but Mr. Davis shaped the act as one whole movement very skilfully, so that tension mounted slowly but inexorably to the final climax.

The singers were familiar from performances at Covent Garden. Richard Cassilly brought so many sterling qualities to his Siegmund—dramatic involvement, fine diction, intelligent phrasing and driving energy—that it seemed ungrateful to ask for rounder, more resonant and ingratiating tones as well. As Sieglinde, Marita Napier, her vocal line a little unsteady at first, got really into her stride with "Du bist der Lenze und du hast mich lieb" and produced some impassioned singing with thrilling notes at the top of her voice. Aage Haugland made an impressive Hunding, his black-toned, velvet-textured bass sounding almost too heroic for that unpleasant character.

In the first, Weber, half of the programme, Mr. Davis conducted an expansive account of the Overture to *Overon*, reminding us (rather unkindly) of the musical beauties of an opera written for Covent Garden that should by rights have been revived there this year in celebration of its 150th birthday. Then Howard Shelley played the *Konzertstück* in F minor, quite properly treating the piece not as a full-blown, 18th-century piano concerto, but as a wonderfully romantic tone poem in which the tale of a returning Crusader that inspired Weber was illustrated in fresh, clear, pastel colours.



Phyllis Calvert, Rosalie March, Joseph Blatchley and Nigel Patrick in Denis Compton's "Dear Daddy" which opened last night at the Oxford Theatre Festival

BBC TV music and arts autumn plans

An opera, ballet or concert every Saturday on BBC2 is part of the new arts policy on BBC TV this autumn, announced by Humphrey Burton, Head of BBC TV Music and Arts Programmes. The new pattern, with performances on Saturdays and documentaries on Sundays, starts on Saturday, September 18 and will be presented under the umbrella title of *The Lively Arts*.

The Saturday night series will be called *The Lively Arts* in performance and will be presented by Robin Ray. It begins on Saturday September 18 with the two-hour long gala concert which celebrated the

Harold Holt Centenary last month. *Coppelia*, in a new French TV production by Roland Petit, starring Karen Kain as well as Petit himself, is the second in performance (on September 25), followed on October 2 by Claudio Abbado conducting the La Scala Orchestra in Rossini's opera *The Barber of Seville* with Teresa Berganza and Hermann Prey. This production by Jean-Pierre Ponnelle will also be heard by part of Radio 3's 30th birthday celebration.

The new *Lively Arts* documentaries and features series on Sundays begins on September 18

with six programmes from the 2nd House team presented by Melvyn Bragg (with Bill Morton and Tony Cash as editor and assistant editor). They include a portrait of the best-selling author James Herriot, a profile of the rock star Rod Stewart, a portrait of the American playwright Tennessee Williams, a visit to Los Angeles to meet Dick Clement and Ian La Frenais, co-authors of *Porridge* and *The Likely Lads* and now writing for American television, and a profile (with dramatised illustrations) of the South African author Nadine Gordimer.

These will be followed by a series of music documentaries.

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leisurely day packing, shopping or just taking it easy. And if you're a bit of a light sleeper and only oversleep for 4 hours, there's also a Pan Am 747 flight leaving for New York at 3.15 in the afternoon.

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WORLD TRADE NEWS

IN BRIEF

£20m. plant order for Britain

Ruston Gas Turbines, the Lincoln-based turbomachinery manufacturer and its American subsidiary Ruston Gas Turbines, have won an order worth £20m. for 28 4,000 hp Ruston gas turbine driven centrifugal gas compressor sets.

The sets are for gas gathering in the Abassi Field, South Iran, for transmission to and use as feedstock in a petrochemical complex being constructed at Bandar-E-Shahpur in the Gulf.

The order is regarded as an important breakthrough for the company in a growth market and was won against strong competition. Delivery of the gas turbines will begin in October of this year and be completed in May 1979.

The contract brings the total number of Ruston gas turbines installed or on order for Iran to over 200.

Daimler-Benz growth

Daimler-Benz AG has become the world's biggest motor manufacturer outside the U.S. following "dynamic and uninterrupted" growth in the past decade, according to the U.S. business magazine Fortune.

With sales of \$8bn., assets of \$2.7bn. and net income of \$126m., Daimler-Benz is put ahead of Renault, Volkswagen, Toyota, Nissan, Fiat and British Leyland.

Fire vehicle orders

Export orders worth \$685,000 for fire-fighting vehicles to be sent to Cyprus and Iraq have been won by Merryweather and Sons, the fire-fighting engineers, which is part of Siebe Gorman Group. The orders consist of 100 foot electro hydraulic turntable ladders and three airport crash tenders for Cyprus, and four large water tenders and six foot tenders for Iraq.

Textile controls

Hong Kong is to join the ranks of major textile and apparel exporting countries which will need special export controls to prevent the transshipping of their products to the U.S. market through third countries.

Similar "export visas" for entry into the U.S. already are required for textile and apparel imports from South Korea, Taiwan, Portugal, Japan, India, Pakistan, Mexico, Brazil, Colombia and Japan either for all textile products or for certain categories of such goods.

U.K. plant for Russia

Newell Dunford Engineering, a Dunford and Elliott company, has won a £200,000 order from Russia for an aluminium recovery plant. The order follows persistent efforts to sell equipment to Comecon countries.

Nippon in Abu Dhabi

Nippon Electric has received a ¥3.5bn. order for a communications satellite station for Abu Dhabi. The station is scheduled to be completed in January 1979, the company said.

Nigerian expansion

The Bridon Group said yesterday that the Board of Nigerian Wire Industries, its associated company, based in Lagos, has approved a £5.5m. expansion programme for 1978-79 which will double the capacity of the company's mild steel wire production plant up to a total of 50,000 tonnes.

Iran rail bid

Indo-Railways are negotiating with Iran's State railways a turnkey contract for laying about 500 kilometres of track between Kerman and Zahedan. It obtained it will be the biggest single contract for Iran with a total value of this and other contracts for survey work on Iran's national rail network is thought to be around \$16bn.

Denim in the Third World

BY PAUL BETTS

THE ALL-TIME HIGH in the demand for blue denim in the present chronic shortage of the cloth has forced many manufacturers of the so-called "uniform of youth" to turn to the Third World.

Like Hong Kong, where the manufacturers of Brutus jeans are increasingly becoming a buoyant centre for the production of denim, the Pakistan Export Promotion Office announced this week that it has sent a mission to survey West European and North American markets for denim. The survey, it is understood, aims at cleaning Pakistan's rising denim output more closely to international market trends.

The U.K. jeans concern of Lee Cooper, one of the world leaders in this field, said this week that its Tunisian manufacturing unit at Ras Djebel, half-way between Tunis and Bizerte, would be producing between 50,000 and 60,000 garments by the end of 1977.

The plant, jointly owned by Lee Cooper's French subsidiary (60 per cent.) and the Tunisian Government (40 per cent.) started production in May 1975 and has already attained an annual output of between 20,000 and 25,000.

Denim will set up by the U.S. concern, Swift, in the outskirts of Tunis, which is already in production, is expected to reach an annual turnover of 25m. metres of denim cloth by about 1979.

Other leading jeans manufacturers, including the American Levi Strauss and the French New Man, are now looking at the opportunities offered by Tunisia for this market.

Incentives for foreign companies to establish themselves in Tunisia have largely been

GATT forecasts record year for world exports

FINANCIAL TIMES REPORTER

THE VOLUME of world exports is expected to reach a new peak this year exceeding last year's level by 10 per cent. and the previous 1974 peak by around 4 per cent. This forecast, made by the General Agreement on Trade and Tariffs (GATT) in its annual review which will be published in full in a few weeks time.

Last year, GATT reports, the value of world exports increased by about 5 per cent. to \$880bn., but in volume terms declined by some 5 per cent. This decline was steepest in the first half of the year. It was followed by a marked recovery in the third quarter of the year.

The only source of strength in the world trade last year, the report states, was the import demand of the oil-exporting developing countries and the Eastern trading area. Each area accounted for one-half of the total nominal increase of some \$40bn. in the value of world trade.

On the export side the bulk of the increase accrued to the industrial countries. Their share in the value of world exports, which peaked at 69 per cent. in the early 1970s but declined thereafter to 63 per cent. last year. Their exports rose in value terms by 7 per cent., reflecting mainly the increases of 80 per cent. (nearly 80 per cent. in 1974) in exports to the oil-exporting developing countries.

In volume terms, the overall decline of 4 per cent. in developed countries' exports stemmed essentially from the fall in their mutual trade.

The recession in the industrial

countries affected primarily their imports. These declined for the first time in the post-war period—marginally in value terms but by 8 per cent. in volume. The fall in imports from both oil-exporting and oil-importing developing countries was the most pronounced.

The trade surplus (fob-cif) of the oil exporting developing countries, reduced from \$28.5bn. in 1974 to \$57bn. in 1975, as the area's imports continued to grow while its exports declined. Saudi Arabia, with \$20.5bn. (\$3.5bn. less than in 1974) and Iran with \$9.5bn. (\$6.5bn. less than in 1974) remained the two oil-exporting countries with the largest trade surpluses. During the early months of 1976 the trade surplus of the oil-exporting countries widened again as oil consumption recovered in industrial countries.

The aggregate trade deficit (fob-cif) of industrial countries, excluding Southern Europe, was sharply reduced from \$43bn. in 1974 to \$12bn. in 1975. The largest shift occurred in the U.S., where a trade deficit of \$9.5bn. in 1974 turned into a surplus of \$4.2bn. in 1975. The two largest deficits in 1975, those of the U.K. (\$15.5bn.) and of Italy (\$10.7bn.), were reduced in 1975 to \$9.5bn. and \$3.6bn., respectively. In West Germany, the 1974 record surplus of more than \$20bn. was reduced to slightly over \$15bn.

But with the gradual upturn in economic activity since mid-1975, the combined trade deficit of industrial countries has begun to grow again.

The combined trade deficit of

almost doubled in 1974, rose further to nearly \$20.5bn. in 1975, the largest deficit being recorded in Spain (\$8.5bn.).

The combined trade deficit of the oil-importing developing countries (fob-cif), following the upsurge from \$12bn. in 1973 to \$34bn. in 1974, rose further to \$45bn. in 1975. Whereas in 1974 the largest part of the increase in the deficit occurred in trade with the oil-exporting countries, the 1975 increase stemmed from the growing deficit with industrial areas.

The Eastern trading area's overall trade deficit widened further to \$10bn. (fob-cif) in 1975, as compared with \$4bn. in 1974 and \$15bn. in 1973. For the area as a whole the deterioration of the overall trade balance reflected primarily the further rise in the trade deficit with industrial countries, from \$7.5bn. in 1974 to \$13bn. Most of the increase in the deficit with industrial countries was accounted for by the U.S. deficit, which turned a slight surplus (\$0.5bn.) in 1974 into a deficit of nearly \$5bn. in 1975.

GATT says the trend of industrial countries' foreign trade balance, however, is likely to continue through the end of the year, because restocking of raw materials and semi-manufactures is only partly responsible for the tendency.

For the continued growth of world trade through the second half, it cites the recovery of demand in industrial countries, continued (if less pronounced) rise in import demand of oil-exporting countries, and an expansion in the foreign trade of East Europe and China.

Row over TV imports 'inquiry'

BY DAVID BELL

THE U.S. International Trade Commission is actively considering sending two investigators to talk to British and other European television producers about the pricing and other policies of Japanese television manufacturers.

This proposal has sparked off a disagreement between the ITC on the one hand and the American Treasury on the other, which serves to illustrate the problems that may have been created by the 1974 Trade Act under which the ITC was set up.

The commission began its investigation in March after two U.S. companies accused some of the Japanese competitors of "predatory pricing policies" in the American market. But the Treasury is not convinced that there is any real distinction between this and dumping which remains specifically its responsibility.

Within the United States and the ITC there is growing concern, however, about the size of the Japanese trade surplus with the United States, which could

reach \$4bn. by the end of the year.

The ITC has thus seized on the television case as a good example of the problems that may be posed by the increased penetration of Japanese products and is seeking to establish just how true the allegations of Japanese price fixing may be.

The Commission's investigation at the request of Sylvania and Philco, two American firms, is under Section 337 of the Act. The two companies have accused some of their competitors of the "existence of predatory pricing schemes resulting in below cost and unreasonably low cost pricing of television sets in the United States."

The ITC counters the Treasury argument that this may be little more than an anti-dumping inquiry by saying that its investigators will be seeking evidence only of a possible written or verbal agreement between Japanese producers to keep prices artificially low and possibly to divide certain markets between them.

WASHINGTON, Sept. 1.

The Commission was set up by the Act to consider allegations by companies or unions of a variety of "unfair" trade practices and it can, as it did over special steel earlier this year, recommend that the President impose quotas.

The disagreement puts the EEC Commission and the British Government to something of a dilemma. For however much European officials are worried about the ITC as having too much power, they do not wish to take sides in the dispute.

Accordingly, the Commission appears likely to do little more than talk to the investigators if they come and the British Government is likely to have only unofficial contacts with them. Some officials are worried about the precedent that the visit might appear to set.

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EUROPEAN TEXTILES

Moving back to profit

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE BIG German fibre groups are to mount major promotion campaigns this autumn in a bid to inject some stimulus into the now faltering recovery in textile demand.

The textile industry throughout Europe has been waiting for increased demand in Germany to pull up activity elsewhere. But after good quarters at the end of 1975 and at the start of this year, the past four months have seen a slackening in the upturn, partly as a result of the textile chain having an exaggerated effect on fibre sales.

Retail spending in textiles in Germany in the first six months

increased by only 3 per cent. over the same period last year, according to the Federation of German Textile Retailers, who saw in the first six months of 1975 sales were up by 8 per cent.

Despite this relative stagnation in the marketplace the three big fibre groups in Germany, Hoechst, Bayer and Enka-Glanstoff, part of the Dutch group Akzo have been able to move up from the very low levels of capacity utilisation of last year when drastic destocking throughout the textile chain had an exaggerated effect on fibre sales.

The average capacity working is now put at around 85 per cent. compared with 60 per cent. or

less last year with consumption and production now thought to be broadly in balance.

But although the higher capacity utilisation has brought some relief, there is considerable concern over the continued weakness of prices. Prices of imported fibre, according to Hoechst, remain much lower than those of European manufacturers and the export orientated German companies have been hit, too, by the Deutschmark's increase in value in relation to the French, Italian and British currencies.

With imported goods of all kinds taking a much bigger share of the European market there is now also serious over-capacity in fibres in Europe. The result is much higher levels of demand will need to be met in order to return to full capacity working. Furthermore, while over-capacity continues, difficulties are expected to remain in achieving reduced prices.

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Limited cash for B-1 programme

THE U.S. Congress has agreed to allow some very limited spending to continue on the controversial B-1 bomber programme for the next six months, but has asserted its belief that the next President should decide in February whether or not full-scale production should be authorised.

Writes Jurek Martin in Washington, the compromise solution, worked out by members of a joint house-senate conference committee, is being portrayed here as a victory for opponents of the B-1.

It is felt that the money that has been authorised is small enough to make any cancellation six months from now financially inconsequential. This amount has a ceiling of \$88m. a month, sufficient, it is argued, for Rockwell, the manufacturing company, to keep its B-1 design and engineering team together but far short of the \$1.2bn. needed to engage in production on any meaningful scale.

The Administration has proposed that 244 B-1s be built at a total cost of \$2.4bn. The Appropriation Bill for the next fiscal year included \$1.05bn. to cover the cost of the first three aircraft. The House had approved an allocation, but the Senate Appropriations Committee had voted specifically to prohibit use of these funds until next February.

Uruguay President

Conservative lawyer Sr Aparicio Mendez was sworn in yesterday in Montevideo as Uruguay's third de facto civilian president in less than three months. Writes Robert Lindley in Buenos Aires, Sr Mendez (72) replaces stopped Sr President Alberto Demicheli, who was named on June 12 to take over from President Jose Maria Bordaberry, deposed by the armed forces because he opposed any return to constitutionalism in the foreseeable future.

Sr Bordaberry's viewpoint is that elections in Uruguay would only make it possible for the Marxists to gain positions of power.

Restless volcano

A column of black smoke and white steam belched 6,000 ft in the air as a new series of earthquakes shook La Soufriere volcano in the French Caribbean island of Guadeloupe yesterday. AP reports that the volcano was quiet for two hours on Tuesday after shaking the island with 464 earthquakes since late Monday. Mr. John Tomblin, director of the Trinidad Institute of the Physics, said that the volcano was "venting from all the fractures."

Banks criticised

U.S. Banks are impeding a full economic recovery by charging unnecessarily high interest rates on business loans, House banking chairman Henry Reuss has said. AP-DJ reports from Washington. Mr. Reuss said that banks are paying considerably less interest for money than a year ago at the height of inflation. But he said they have not reflected that decline when they loan money to business.

Rubber workers back

Armstrong Rubber has said that members of the United Rubber Workers Union have returned to work, ending a strike at tyre plants which began on June 30. AP-DJ reports from New Haven, Connecticut. Details of a new three-year contract were not immediately available, a spokesman said.

STATE OF EMERGENCY IN JAMAICA

A security success

BY CANUTE JAMES, IN KINGSTON

JAMAICA'S crime rate has dropped significantly over the past month and has plans to pump money into the system, and attention is being turned away from the crime problem to more obviously political matters such as the impending general election.

It is the political side effects of the declaration of the State of Emergency which are now the focal points of public debate here.

The leader of the Opposition Jamaica Labour Party (JLP), Mr. Edward Seaga, has continued his attacks on the Government for using the emergency regulations to obtain party political advantages. Two of the detainees who are the subject of Mr. Seaga's accusations are Senator Parnell Charles, one of the party's deputy leaders, and a prospective election candidate, Mr. Peter Whittingham.

In charging that an unfairly high proportion of his party supporters have been detained under the emergency regulations, the Opposition leader claims that the detention of the detainees who are the subject of Mr. Seaga's accusations are Senator Parnell Charles, one of the party's deputy leaders, and a prospective election candidate, Mr. Peter Whittingham.

The Government has been repeating that there are no political considerations in the implementation of the emergency regulations and in the detentions of suspected persons, and that these decisions are made by the heads of the security forces and not by politicians.

This has had little effect in quelling the criticisms from the JLP, and the party's chairman has been appearing on behalf of the detainees.

Mexico abandons dollar parity and floats peso

BY ALAN RIDING

THE MEXICAN Government last night effectively devalued the Mexican peso for the first time in 22 years by abandoning its fixed parity with the United States dollar and allowing the currency to float down to a new level.

Although the peso had been under growing pressure in recent months, the timing of the measure was totally unexpected. Not only because President Luis Echeverria has just three months left in office but also because today was the occasion of his final state of the union address to Congress.

Banks were closed routinely today because of the President's address, but banking sources expect an immediate downward float of between 20 and 25 per cent.

Finance Minister Mario Ramon Beteta said last night that while no exchange controls would be imposed, the Bank of Mexico would intervene to prevent wild speculation of erratic movement in the peso's value.

Nevertheless, economists are outgrowing government of President Echeverria had taken a brave decision rather than bequeathing a weakened external sector to President-elect Jose Lopez Portillo and forcing the new ruler to take the same decision during his first weeks in office.

Perhaps the greatest erosion to the peso has come, not from the huge balance of payments deficit or even from the country's \$22bn. foreign debt, but rather from the Government's inability to control inflation.

Compared to the United States, Mexico's partner in two-thirds of its trade, the relative inflation rate here during the past three years left the peso overvalued by approximately 35 per cent.

The tourist industry in particular suffered from this rise in local costs, which among other factors resulted in a 4 per cent drop in the number of foreigners visiting the country last year. Last night's de facto devaluation, on the other hand, is well timed to produce a boom tourist season this winter.

Europe caution; 15% fall in NY

BY MARY CAMPBELL

REACTION IN Europe to the effective devaluation of the peso was cautious as bankers waited to see what would happen in New York. However, quotations for the State-owned Banco Nacional de Obras D-mark bond issue—the latest issue to close on the German bond market—remained unchanged at around 99½ bid; the 9 per cent. coupon on the five-year bond was in any case generous to investors.

Dealers said they might have been expected to prevent any potential selling from developing. Nor was there any indication that a hitch might develop over the \$150m. commercial bank loan which Financiera Azteca, the Mexican State sugar-financing agency, is currently arranging.

One effect which the devaluation might have, a banker suggested, could be to cause the Mexican Government to accelerate the rate at which it takes up loans which it has already arranged, but not completely drawn, in order to have plenty of foreign exchange in hand to steady the float. Mexico is believed still to have intact swap lines totalling over \$600m. with the U.S. Federal Reserve and Treasury. But its foreign currency reserves have been falling fast this year and are thought to amount to little over \$1bn.

The deeper significance of the devaluation of the peso for international bankers lies in the fact that Mexico has until now enjoyed an almost unique position in international financial circles. Although classified by some criteria as a developing country and burdened with a foreign debt rivalled among such countries only by that of Brazil, it has continued to be able to raise funds commercially with complete regularity and ease.

Reuter adds from New York that the Mexican peso today stood at 15 per cent. of its value in foreign exchange dealings here as it floated freely for the first time.

The peso—the most widely held Latin American currency in international money market—had been held at 12.50 to the U.S. dollar for 22 years. In early trading the currency was quoted at the equivalent of 14.75 to the dollar, dealers said.

FBI chief 'misused position'

BY JUREK MARTIN

THE FEDERAL Bureau of Investigation, whose morale has been seriously under pressure by constant revelation of questionable activities, is now even more embarrassed by the disclosure that its director, Mr. Clarence Kelley, may have abused his authority in his personal affairs.

The Washington Post reported this morning that the U.S. Attorney General, Mr. Edward Levi, has two inter-departmental reports on his desk, one recommending that Mr. Kelley be fired, the second that at the very least he receive a public reprimand.

In a statement, Mr. Kelley lent a certain credence to the allegations by admitting "that some furniture had been specially made for his own apartment by a division of the FBI; he said this was done without his knowledge and that the items would be returned to the bureau when he leaves office."

He also acknowledged that he had received certain gifts from his subordinates, including a clock and other items of furniture. In his statement Mr. Kelley said that he is "prepared

to make restitution for any such gifts which are clearly not permitted."

Interest in the possibility of FBI officials using bureau facilities for their private use when Mr. Kelley was in the job as head of the FBI's exhibits section, which undertakes various construction and design projects, resigned after pleading guilty to a misdemeanor charge of unlawfully taking lumber that was Government property and putting it to his own use.

In Mr. Kelley's case, there is

no suggestion of outright venality, but merely of bad judgment.

But the mood of the moment is that indiscretions and peccadilloes must be rooted out as Mr. Kelley seems to be the victim of this. If Mr. Jimmy Carter is elected President in November, he will be the victim of something else since the Democratic candidate has promised to fire Mr. Kelley and overhaul the FBI as soon as he assumes office.

Anti-boycott tax rules tightened

WASHINGTON, Sept. 1

CONGRESSIONAL tax writers, casting aside administration opposition, voted today to deny some foreign tax benefits to companies which participate in international boycotts such as the Arab boycott of Israel.

The anti-boycott language was carefully drawn to limit the loss of tax advantages to business activity in the country or countries initiating the boycott. The final compromise would UPI

deny the foreign tax credit for foreign tax deferral and the benefits of domestic international sales corporations to any company that agrees not to do business with any specific country or agrees not to do business with any company which has business with a specified country or agrees not to hire employees of that nationality, religion or race.

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OVERSEAS NEWS

Exports lift Japan's reserves near peak

TOKYO, Sept. 1. ACCELERATING exports helped push Japan's foreign exchange reserves to \$16.5bn. at the end of August. The Ministry of Finance today announced the eighth consecutive monthly rise in the country's reserves at the highest level since April 1973, and climbing towards the all-time high of \$18bn. immediately prior to the de facto yen revaluation in February 1973.

The \$351m. boost in reserves, however, was less than the July rise of \$543m. which prompted remarks, notably in the American Press, that the Bank of Japan was "rigging" the yen exchange rate by keeping its value on the free market below what Japan's reserve levels really warrant.

In recent days, the Ministry of Finance as well as Mr. Teichiro Moriguchi, Governor of the Bank of Japan, have defended Japan's exchange rate policies as entirely proper. They argue that, whereas in Germany, for instance, large increases in exchange reserves should prop up the Deutschmark because of a very small degree of net foreign exchange imbalances, figures supplied by MOF showed that in June, commercial banks' liabilities (at \$14.9bn.) nearly offset the country's official foreign exchange reserves (\$15.4bn.).

Mr. Michiya Matsukawa, Vice-Minister at MOF, told today for Washington, Bonn, Paris and Rome (he was in London last month) to explain, among other things, Japan's exchange rate policies. The matter has become a highly political one with experts in both Europe and the United States surging ahead and those countries' deficits with Japan rising. No doubt, Mr. Matsukawa will then have to repeat the defence at the annual meeting of the IMF and World Bank in Manila early next month.

The argument begs the question, however, of just how long a currency should be kept at one level, despite consistently rising surpluses on both trade and current account, and against the apparent wishes of the market itself. In August, for instance, after the heavy buying intervention of July, the Bank of Japan is rumoured to have bought more than \$200m. to keep the yen rate firm.

The remainder of the reserves increase probably came directly from Japan's burgeoning exports, but preliminary figures on trade in August will not be out until next week. Officials at the MOF indicated, however, that the long-term balances on capital movements went into deficit last month, thanks to a spate of overseas trade and other credits paid out by Japan.

Asian dollar market grows in Singapore

SINGAPORE, Sept. 1. THE SINGAPORE Asian dollar market expanded by \$641m. in July to a provisional \$16.5bn. after rising by a similar amount in June, the Monetary Authority of Singapore (MAS) said.

Total loans to non-bank customers and deposits of non-bank customers accounted for a larger part of the increase in July than in June, MAS said.

Loans to non-bank customers rose by \$88m. in July to \$3.5bn. compared with a \$21m. rise in June.

Deposits of non-bank customers increased by \$37m. in July to \$2.1bn. compared with an increase of \$13m. in June.

The increase in deposits was possibly related to the underlying strength of the U.S. dollar despite its fluctuations in foreign exchange markets, MAS said.

American Oil (Amoco) and Continental Oil (Comco) have withdrawn from a joint oil prospecting venture with Taiwan's Chinese Petroleum Corporation (CPC) and four other U.S. oil firms, a CPC spokesman said in Taipei today.

CPC will continue the venture with the other companies, Oceanic Oil, Clinton International, Gulf Oil and Texaco, he said.

NZ engineers union plan strike

NEW ZEALAND'S 45,000-strong National Engineers Union—biggest in the country—today announced plans for full-scale strikes over stalled pay talks.

Union leaders were meeting later today to decide on details. The strike move followed the expiry of a two-week union ultimatum to employers to change their stand after pay talks broke down.

The new stoppages, starting today, will swell the ranks of striking workers in New Zealand. The Port of Wellington has been paralysed since Friday by a seamen's and dockers' strike in protest against a visit by the U.S. nuclear-powered cruiser Truxton.

Brewery workers began a week-long strike on Monday and New Zealand for 12 years.

THE LEBANESE CIVIL WAR Syria hardens attitude to Left

AS HOPES for a successful outcome to the Arab League peace initiative have dimmed, so Syria's determination to strengthen its alliance with the "legitimate" Christian right-wing regime and to reject any compromise with the Left has hardened.

This much was clear yesterday following the return of President Elias Sarkis from Damascus where he held five hours of conversations with President Hafez Assad of Syria on Tuesday.

In an unusual show of unanimity among all Beirut's newspapers, it was reported that President Assad opposed proposals for a dialogue with the Palestinian resistance movement and the left-wing Lebanese.

The Syrian Head of State was reported to have been particularly adamant that there could be no dialogue with Mr. Kamal Jumblatt, the leader of the Lebanese Left. For its part, the left-wing coalition took what appeared to be a significant new step towards consolidating the de facto partition of the country by announcing the opening of representative offices in France, Bulgaria, Libya, Egypt and Cyprus.

There already exists, inside the Christian-controlled enclave to the east of Beirut, the beginnings of an infrastructure for a separate state, including banking, telecommunications and transport facilities.

As the rival factions awaited the result of the Damascus talks, there was marked slackening in the fighting although there were clashes in the suburbs of Beirut and in the mountains which had resulted by yesterday evening in the 24 hours up to yesterday afternoon. However, reports of Syrian military moves in the Bekaa Valley have continued raising speculation about a new campaign in conjunction with the right-wing Christian militias to crush the Palestinian-Left alliance.

Immediately, the result of Mr. Sarkis's visit appeared to have been a further polarisation between Left and Right which leader raised no objections to Mr. Sarkis pursuing his own contacts with the Palestinians and Lebanese radicals. However, without Syrian pressure on the Christian militias any such efforts would have little chance of succeeding.

Mr. Sarkis did not commit himself to entering into a

Big military display for Libyan coup celebration

TRIPOLI, Sept. 1. THE LIBYAN leader, Colonel Muammar Kaddafi, will tonight address a military parade marking the seventh anniversary of the coup which overthrew the Libyan monarchy, according to the official Libyan news agency Arna.

The report said the parade will include ground-to-ground missiles, anti-tank guns, rockets and various types of artillery pieces, as well as infantry, naval, air and commando detachments.

The September 1969 revolution brought the present military leaders to power. This year's celebrations are due to last 42 days, according to Arna.

Starting today—the date chosen to coincide with the anniversary—Libya will extend its short wave Arab broadcasts to cover the whole of North Africa.

Rhodesians claim highest guerilla toll in August

SALISBURY, Sept. 1. Prince Sadruddin Aga Khan, said the camp held refugees and that between 600 and 700 were killed.

The communiqué said 58 guerillas were killed in the last five days of August.

An official communiqué yesterday on the base camp raid said six Rhodesian soldiers had been hurt—two critically and four seriously. But reliable reports today said 17 men were injured. A security force communiqué said 131 guerillas were killed inside Rhodesia in August, seven more than the previous month's highest June.

The total does not include those killed three weeks ago when Rhodesian troops raided a camp inside Mozambique. Rhodesia said some 300 guerillas and 30 Mozambique troops died. Mozambique, and the UN High Commissioner for Refugees, Reuter.

Uganda frees five accused

NAIROBI, Sept. 1. FOUR OFFICIALS and a businessman tried for their lives in Uganda on suspicion of subversion, have been released with a warning, Uganda Radio reported today.

After their arrests in July, President Idi Amin told a military tribunal it should deal with the case "without mercy."

The radio, monitored here, said today that the Minister of Defence and Army Chief of Staff, Reuter.

State to run oil companies

BEIRUT, Sept. 1. LEBANESE OIL MINISTER Ghassan Taweini said today that a committee has been formed under his supervision to run the affairs of the Mobil and Exxon oil companies' subsidiaries in Lebanon.

He said the measure is a prelude to the establishment of joint distribution companies in which the private sector, the state, and staff will participate.

Mr. Taweini said the measure is a prelude to the establishment of joint distribution companies in which the private sector, the state, and staff will participate.

Four Palestinian guerillas and three villagers were killed in a clash at Ajl al Ebel, a Maronite village about one mile from the Israeli border, in a shooting battle.

The Press here today gave two versions as to what had happened. One said the four guerillas drove into the village and began to shoot at the civilians, killing three of them and prompting the villagers to fire back. Another said the four guerillas were ambushed, that three of them were killed instantaneously, and that the fourth shot three of the villagers before he himself was gunned down.

The villagers rushed the three wounded men across the border to Israel for medical help, but they were dead on arrival.

The Israelis are reported to have promised to extend assistance to Ajl al Ebel against what has been described as possible retaliation by the Palestinian commandos.

The commander of the guerilla movement in south Lebanon, Colonel Abu Musa, however, was reported by the Left-wing Press today to have ordered retreat and for the four guerillas to be buried quietly. Informal sources said this was because he did not want any provocations which would prompt Israeli military action in the south.

Panmunjom talks on Korean tensions

SEOUL, Sept. 1. REPRESENTATIVES of the North Korean and United Nations commands met for almost two hours today at the truce village of Panmunjom in a new effort to ease the tensions which followed the killing of two American officers there on August 13.

The American-led U.N. Command refused to give an account of the talks, which involved the secretaries of the two senior delegates to the Military Armistice Commission. But a U.N. Command spokesman told UPI that the two sides agreed to continue the talks on Thursday.

The second round of discussions in two days followed a Washington announcement that the U.S. had halted B-52 practice bombing runs over South Korea.

The U.N. Command and North Korea have agreed in principle to separate their security guards in the truce village of Panmunjom to prevent further violence in the neutral area, a South Korean radio report said on Wednesday.

Radio Dong-A, quoting South Korean authorities, said the agreement came at a military secretaries meeting of the Military Armistice Commission Tuesday night.

On the basis of the agreement, the radio said that if Wednesday's meeting made further progress the U.N. command and North Korea are expected to call a full Armistice Commission meeting soon to endorse the agreement.

Command spokesmen have refused to divulge details of discussions in the two days of secretarial meetings, which have been closed to the press and public Agencies.

Mao recedes further from active Peking leadership

BY COLINA MACDOUGALL

THERE IS growing evidence of Premier Hua Kuo-feng, who for Chairman Mao Tse-tung's was appointed in April following the riot in Peking over wreaths in honour of the late Premier Chou En-lai, appears to have been enhanced by his activity in the crisis period following the Tangshan earthquake. However, Peking, it seems likely that he is no longer in the Chinese official Press against former Vice-Premier Teng Hsiao-ping, seems to have resumed with full force in the last week.

The People's Daily issued a fresh call on August 23 to widen criticism of Teng, and this has been followed by renewed attacks on his economic and military policies. This suggests that Teng still has a good deal of support in the Chinese establishment, even though the so-called radicals control the Press and radio.

The inability to reach a compromise is shown in the large number of empty seats on the highest party bodies. Through deaths and dismissals, the politbureau has shrunk from 21 to 17, and the politbureau standing committee from nine to five. A party meeting to choose a new leadership is overdue, but seems unlikely to be held while the two groups in the leadership, radicals and moderates, continue to fight out their differences in public.

In the meantime, there is obviously considerable disorder in the wake of the earthquake. In the last few days a provincial newspaper has reported an armed bank robbery, and five other provinces have spoken of "beating, smashing and looting." In recent weeks the standing which is being dealt with by law.

These banks have been sold outside the United States of America. This announcement appears as a matter of record only.

August 31, 1978

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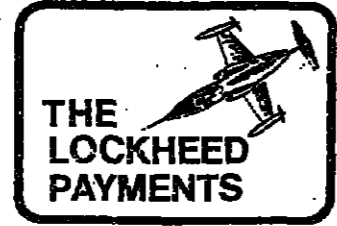
MPs lobbied by Lockheed named by Dutch Speaker

BY MICHAEL VAN OS

THE DUTCH Government made available to Parliament in the Hague to-night the texts of two internal Lockheed telex messages from which, the Donner Report had noted last week, it appeared that the aircraft manufacturer "had also made efforts at persuading members of the Second Chamber to gain support for the PSC (Orion aircraft)."

The names mentioned in the short telex messages were three members of Parliament's Permanent Defence Committee, namely General Joop Van Eijzen (chairman), of the Roman Catholic Party, Klaas De Vries of the PVDA Labour Party, both Government parties, and Colonel Ad Ploeg, of the VVD chief Opposition Party.

One of the messages between two Lockheed officials contained



Orion, but now he is and gave a good report to Committee."

A KVP spokesman said to-night in the Hague that Mr. Van Eijzen, who was abroad, had visited all

participating aircraft manufacturers always with other MPs from other parties, in an effort to inform himself about the aircraft offered. He had always stated, and several times publicly, that he was in favour of the Orion as it was the best plane. He rejected outright any speculation about undue Lockheed pressure.

A spokesman for the VVD said that Mr. Ploeg, who was also abroad, had also visited aircraft manufacturers, but he had reserved his opinion about the Orion until he had seen it at Burbank with Van Eijzen, as part of an U.S. trip which included a visit to the Fairchild Aircraft manufacturer. He also rejected anything about undue Lockheed pressure, adding that events had been completely normal.

The same telex message also stated: "Van Eijzen would like to bring another Committee meeting, Mr. De Vries, to Farnborough, on September 4. He is a member of the Socialist Party of which the Defence Minister and Prime Minister are also members. Can he be at Farnborough only one day."

Gerritsen says that the Defence Committee is solidly behind the Orion, but if you want to make this 100 per cent, thinks should charter airplane. De Vries, being Socialist, would give us clean sweep of major parties in the Committee. Request your view."

The message was exchanged between Messrs Jim Gannon and M. Egan, Lockheed officials, but more details are not known. The man called Gerritsen mentioned is Mr. Hans Teengs Gerritsen, Lockheed's Dutch consultant and a close associate and friend of Prince Bernhard. He was frequently mentioned in the Donner Report.

The Dutch Government in the end did not buy the 13 Lockheed Orion aircraft, shelving the decision for budgetary reasons. A spokesman for the Labour Party said later to-night that Mr. De Vries, in a letter to the leader of Parliament to-night, stated the advice mentioned in the last Telex had apparently never been followed as he had no contact with Lockheed officials.

Mr. De Vries had indeed visited Farnborough as part of the Defence Committee, on an unnamed manufacturer's plane. The Labour MP added that the Committee had written to the Defence Minister after the visit, to say that they wanted to fly on a Government plane next time, not on a company plane.

Hoffman to appeal against EEC fine

AMSTERDAM, Sept. 1.

The Swiss-based drug and chemical company Hoffman-La Roche said yesterday it had formally lodged an appeal against a \$360,000 fine imposed by the European Commission last June, Reuter reports from Basel.

The European Court of Justice in Luxembourg was unlikely to reach a verdict on the appeal before the end of this year, a company spokesman said. The Commission fined the company for infringing the Common Market free trade rules by allegedly offering customers loyalty premiums to buy their products and so abusing its dominant position in EEC markets.

Lefebvre to rest

Rebel French Archbishop Marcel Lefebvre, suspended from priestly duties for celebrating a banned 16th century Latin Mass, said here to-day he was suffering from exhaustion and had been ordered by his doctors to take a complete rest.

The 78-year-old prelate, suspended by Pope Paul, said through a Belgian lawyer he was cancelling confirmation services in Belgium and Holland because he had been exhausted by recent travels, services and interviews. He has been told to take 48 hours' total rest.

Andreadis takeover

The Greek Government has wrested control of banker Stratis Andreadis' banking and industrial empire in a move that several industrialists here described as "nationalisation without compensation." AP-DJ reports from Athens. The Government passed a law on Tuesday night giving it control of Andreadis' five banks, considered the backbone of his three insurance companies and 16 industrial units. The Andreadis shipping empire is not affected by the move.

Belgian drawing

Belgium drew a total of B.Fr.25.799bn. from the European Fund for Monetary Co-operation during August to defend its currency's position in the snake, latest figures of the Central Bank published yesterday showed.

Price set for Kursk steel project 'well in excess' of first estimates

BY DAVID SATTER

THE PRICE of the first two parts of the first phase of the Kursk integrated steel works at Kursk, the largest post-war W. German-Soviet project, has been set at well in excess of DM1bn. by the German side, according to an informed source.

The commercial proposal for the construction of the first two major components of the project, a blast furnace and converter, is expected to be submitted to the Soviet side by the end of the month, a source said.

According to a previously agreed protocol, the Soviets now have until October 15 to discuss both the detailed technical proposals for the plants, which were presented by the Germans in Moscow in July, and the commercial proposal and to try to reach agreement on contracts.

The entire steel complex, which will eventually include the blast furnace in direct reduction, as well as a massive rolling mill and steel mill, will be built by a West German consortium consisting of Salzgitter, Korf, Krupp, Siemens and Demag. It will be the world's largest steel complex based on

the direct reduction method of steel production.

The price being asked by the German side for the first two parts of the complex is significantly higher than anticipated when the project was first disclosed.

THE KURSK project is expected to have a tremendous impact on the German industry. The network of sub-contractor work involved is expected to directly or indirectly affect the majority of major German industrial enterprises. It is also considered likely that sub-contractors in other European countries will benefit from the project, possibly at Soviet insistence if they offer prices competitive with or lower than those offered by German firms for the same products or services.

Tass, the official Soviet news agency, has said that the entire complex near Stary Oskol, 400 kms. south-east of Moscow in the region known as the Kursk magnetic anomaly, will have a plant annual productive capacity of 5m. tons of iron pellets and 2.7m. tons of rolled steel.

The iron-ore deposit in the 1,000 square kms. around Kursk, the region's largest city, is believed to be the richest in the world. The Soviets have claimed

that they contain one-third of the world's supply of iron-ore. Two years after work began on the Stary Oskol complex it is expected that work will begin on a second phase of the project at a cost estimated at DM2m.

The West German-Soviet project arose out of an agreement in 1974 when the Russians agreed to pay cash for the Stary Oskol complex's first phase. They have never reneged on this, although the Soviet balance of payment has deteriorated in the near time and the cost of the project has risen. It is expected that the Soviets will ask for credit arrangements for the anticipated 1979 expansion of the project at the Stary Oskol site.

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Part of the increase in costs

Barre prepares economic plan

BY RUPERT CORNWELL

PARIS, Sept. 1.

THE NEW French Prime Minister, M. Raymond Barre, has given himself a fortnight to draw up his eagerly awaited economic strategy to control inflation.

The present plan, mapped out at to-day's first regular Cabinet meeting of the new Government, is for M. Barre to make a statement on the economy on September 15.

But it remains unclear whether detailed measures will be unveiled then or alongside the key 1977 budget, due to be presented a week later.

The contents of the programme remain a matter of guesswork, but in addition to probable cuts in public spending and a stiffening of credit restrictions, the Government is not concealing its aim of securing some kind of incomes policy to moderate the growth of wages.

However, these plans could be thrown out of gear by renewed trouble on the agricultural front as disgruntled farmers dismiss last week's allocation of Frs.2.2bn. (£250m.) of emergency drought aid as both inadequate and unjust.

A further review has already been promised at the end of

September, and the odds are that no large-scale disturbances will break out before then—despite the fact that the economic situation in the South West and yesterday's invasion of the Prefecture in the city of St. Etienne by angry farmers.

After agreeing to discuss their grievances with the 350 industrialists, the Prefect was seized by a group of six or seven rowdies and only freed after vigorous intervention by a detachment of CRS riot police.

Dardanelles collision

BY METIN MUNIR

ANKARA, Sept. 1.

A TURKISH submarine and a Soviet vessel were in collision at dawn this morning in the Dardanelles, the narrow strait between the Aegean and Marmara Seas.

The accident was disclosed in a short communiqué released by the Turkish General Staff here. Meanwhile, the Turkish State survey vessel Sismik 1 Hora left Istanbul for what will be her last and longest off survey mission in the Aegean Sea. The Hora

will work between the Greek islands of Limnos in the north and Naxos in the south in an area sandwiched by Greek archipelagos of 2,000 nautical miles, set off 110 seabed explosions for taking soundings.

The expedition will last for 25 days, embracing the three remaining regions in the official research programme. The area is sensitive because it is mined by both Turkey and Greece.

Mintoff claim of Khedafi oil threat

By Godfrey Grima

LIBYAN PRESIDENT Muammar Khedafi is claimed to have threatened to cut off all oil supplies to Malta in the event of a nationalist party gaining power at the coming general election and turning to Nato for help.

This was asserted by Maltese Premier Mr. Dom Mintoff, and quickly whipped up sharp reaction from the opposition nationalists headed by D. George Borg Olivier.

Mr. Mintoff's statement was delivered at a party rally last night within a few hours of conferring with President Khedafi in Tripoli on his way home from a 10-day visit to the Arab capital.

Mr. Mintoff said President Khedafi was displaying keen interest in the Maltese elections. Asked what stand the nationalists were taking, Mr. Mintoff answered: "The nationalists are stating they will bring Nato back to Malta if they win and at the same time they will continue to provide Malta with crucial supplies on favourable terms."

At the last minute, however, the Conservatives, at present in a state to fight an election, agree to support the Government after obtaining certain small concessions. The main opposition party, the Liberal party, was conspicuous by its absence. Last year it was one of five parties which supported a three-year economic policy declaration in intent.

Commentators agree that the agreement was a victory for Prime Minister Anker Jørgensen and a defeat for Liberal leader Mr. Poul Hartling, who has now offended the smaller parties of the centre and the right. Although the right is a majority in the present Folketing (Parliament), there is virtually no chance of a non-Socialist Government being formed in the near future, whether or not elections are held soon.

Economically, the measures seen as mitigating but not solving the country's balance of payments problem. More and more economists, including Mr. Thorvald Kristensen, former general of the Organisation for Economic Co-operation and Development, are saying in public that a devaluation is the only real solution to the costs problem—namely that hourly wage cost in Danish industry are right than anywhere in the world except Sweden and Norway.

But as long as the wage escalator system is kept, so that import price increases are automatically passed on to the consumer, the Government understandably refuses to contemplate devaluation. Whether or not this is a realistic attitude will depend partly on the West Germans, on whom the Danes, a member of the EEC, are increasingly dependent. If, as the deputy chairman of the Bundesbank Herr Oskar Emminger, has suggested, the wage arrangement cannot be sustained in the long run, the Danish krone will be in trouble.

Politically, last month's agreement was also significant. At first, the Government measures were supported by the three small centre parties—the Radicals, the Centre Democrats

DENMARK'S ECONOMIC PROBLEMS

Trouble round the krone

BY HILARY BARNES, IN COPENHAGEN

AGREEMENTS reached in the early hours of the morning after days of dramatic negotiations are as much a part of Danish political life as they are of the EEC's Ministerial Council. Last month after a typical sea-saw battle, which at times seemed certain to lead to a new election, the Social Democratic minority Government managed to obtain the last-minute support of the Conservative Party, and thereby brought off a mere compromise deal on economic policy.

The measures which the Government carried were in essence twofold—a conventional attempt at demand management by public spending cuts and increases in indirect taxation and a less conventional attempt at incomes policy, which it hoped would hold the increase in incomes in the next two years down to six per cent. a year. The Government's plan is to restrain the growth of the Danish costs level, thus improving the competitive position of exporting industries and averting the only alternative solution to the costs problem—a devaluation.

Denmark has endured current balance of payments deficits in every year since 1965, and the deficits are typically large. Last year, both the Danish economy and those of its major trading partners are operating at or near full capacity. This time, however, Denmark jumped the gun, boasting domestic demand last autumn by a temporary five-month reduction of Value Added Tax from 15 to 9½ per cent.

The result was a consumer spending boom of unprecedented and unexpected proportions. The volume index of retail sales was 14.5 per cent. higher during the five months of the cut, ending in February, than in the previous five months. Sales of cars, caravans, colour television sets and similar goods have remained at record levels ever since.

This has left the first-half current balance of payments deficit looking unusually unhealthy. The Kr.5.8bn. deficit was larger than the previous record annual deficit of Kr.5.7bn. in 1974. This year's first half deficit was running at a rate of about 4½ per cent. of Gross Domestic Product.

International money markets are in a happily liquid state, and the public sector has had no difficulty in raising over Kr.7bn. (about \$1.1bn.) in foreign loans so far this year, but the country's net foreign debt is now in the region of Kr.23bn. or about 14 per cent. of GDP (Kr.127bn. in 1975). Debt servicing of public sector long term loans alone will come to almost Kr.3bn. next year, or roughly five per cent. of export revenues.

The Government would have liked to be able to ignore the payments problem, as unemployment is still at about five per cent. of the total labour force, but the situation was altogether too serious.

There are several parts to the Government's economic measures—selective support for exports; industrial investment and employment; modest spending cuts in the 1977-78 fiscal year and the 1978-79 fiscal year; large indirect tax increases designed to control consumer spending and

imports; and the incomes policy, which is sweetened by small Kr.7bn. in 1977 and Kr.5bn. in 1978. When debt servicing requirements are taken into account, this still leaves the country with an enormous external borrowing requirement.

Last month's agreements did not deal with credit policy. This, however, also needs to be considered since it is part of the economic dilemma currently facing the country. Largely because of the budget deficit, the broad definition of money supply has risen by about 2 per cent. for some nine months now. The situation is being controlled, on the one hand, by keeping interest rates very high (at over 15 per cent. for mortgages, for example), and on the other hand, by a credit ceiling on bank advances which is so rigid that banks are being squeezed out of the market for new credit. Their net credit supply increase last year was zero, and it is doubtful that it will improve this year.

This would seem to be a classic case of public sector credit needs crowding out the private sector. Politically, last month's agreement was also significant. At first, the Government measures were supported by the three small centre parties—the Radicals, the Centre Democrats

and the Christian People's party. At the last minute, however, the Conservatives, at present in a state to fight an election, agree to support the Government after obtaining certain small concessions. The main opposition party, the Liberal party, was conspicuous by its absence. Last year it was one of five parties which supported a three-year economic policy declaration in intent.

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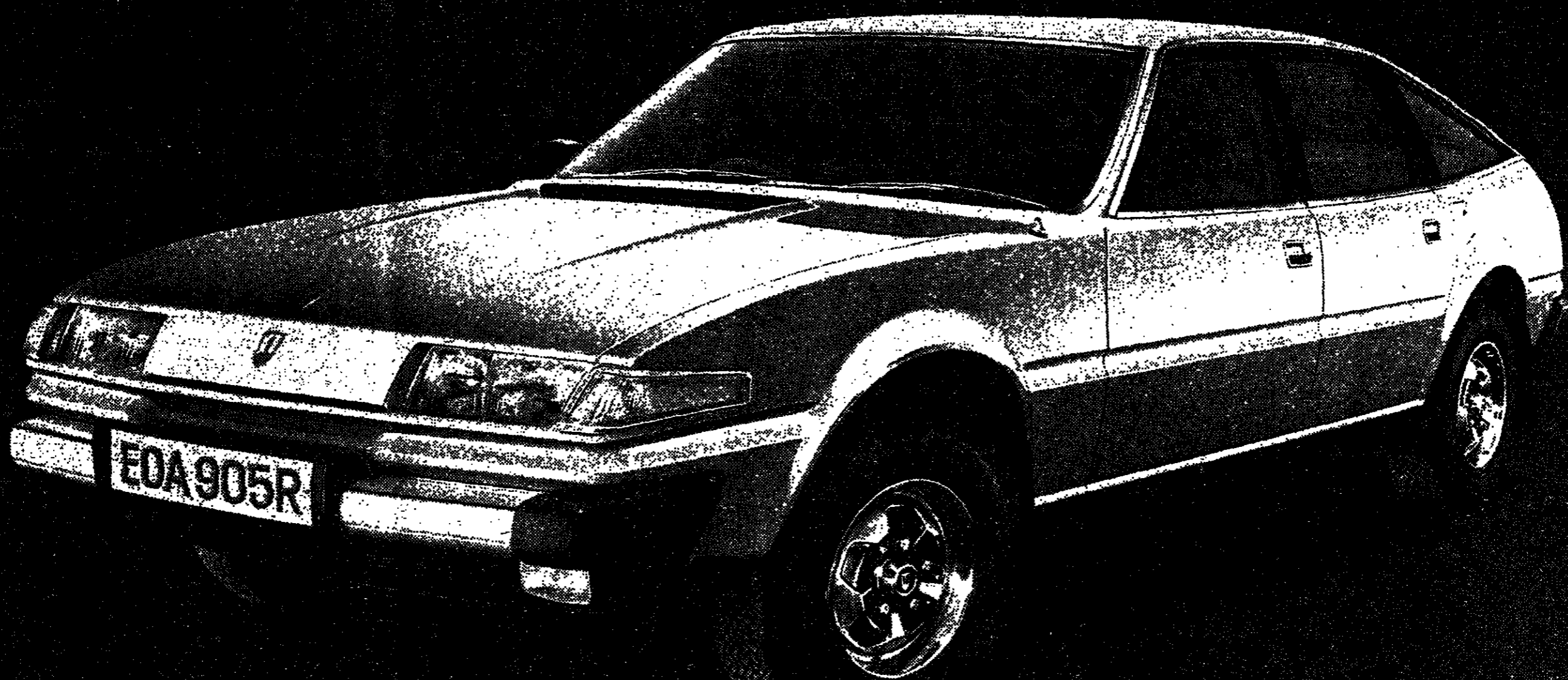
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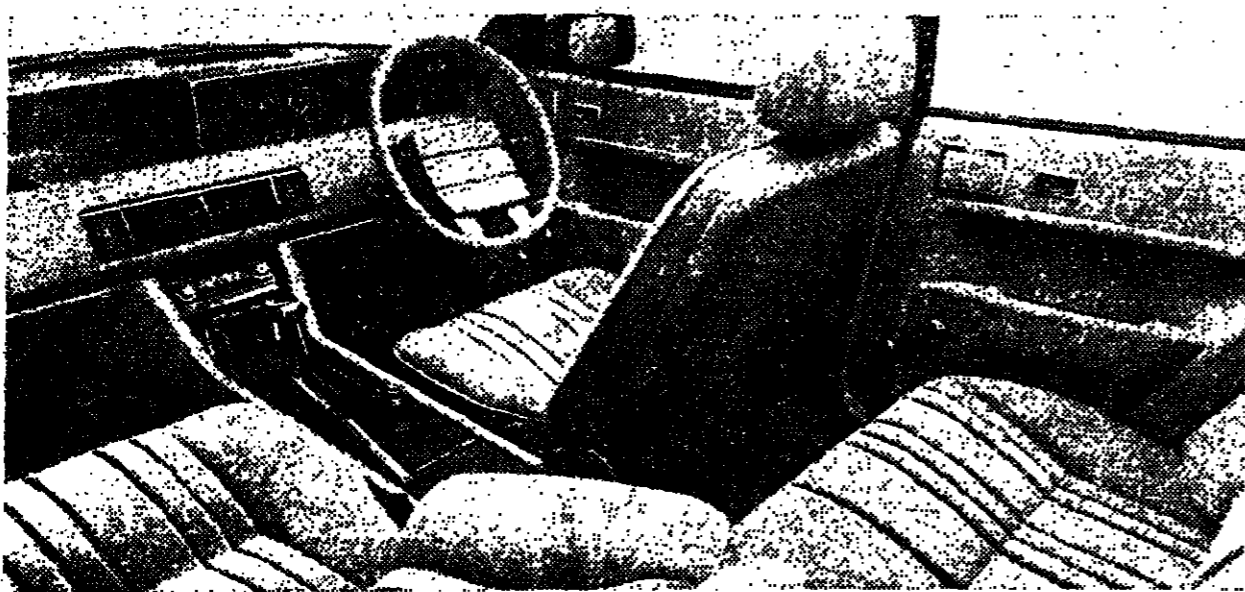


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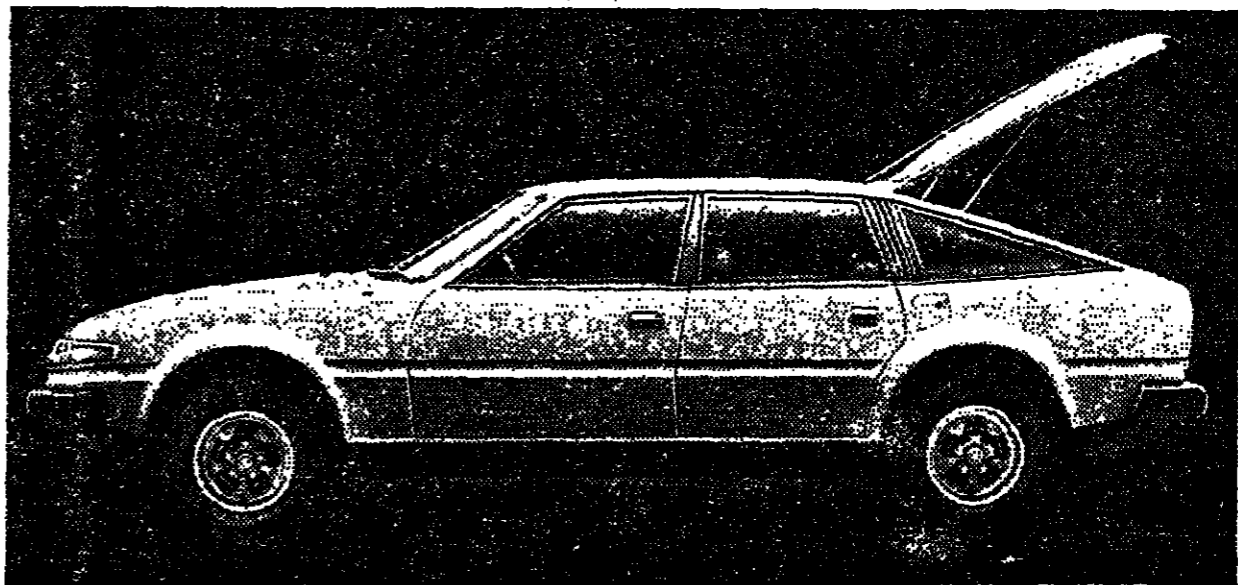
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Tomorrow, wouldn't you rather be in a Rover?

HOME NEWS

National Cash Register to end 600 Dundee jobs

BY RAY PERMAN, SCOTTISH CORRESPONDENT

REDUNDANCY NOTICES were given yesterday to 600 workers at National Cash Register's factories in Dundee, the city with a male unemployment rate of over 11 per cent.

Dundee has watched the decline of NCR from its peak during the changeover to decimal currency when it was employing more than 6,000 people in nine factories.

The latest layoffs, to take effect between December and February, will reduce the workforce to 1,300 in three plants and are likely to result in two 100,000 square foot factories being placed on the market.

NCR came to the city in 1946, the first of a number of multi-nationals to take up the slack left by the decline of the traditional industries of jute and jam-making. While the company was making mechanical

accounting machines and cash registers, its demand for labour was high, but its needs declined steeply after the introduction of electronic machines.

The Dundee factories now undertake mainly final assembly, with most of the components being bought from other manufacturers, many from abroad.

NCR said yesterday that it had done everything possible to mitigate the effects of the run-down, including severely curtailing recruitment in recent years and redeploying labour.

It deeply regretted having to take the action, but could not remain viable with a labour force bigger than the market would support.

Mr. Colin Westwood, chairman of the shop steward's committee, said that a campaign would be

mounted to resist any move to put people out of work. One result of the announcement will be increased pressure on the Government to relieve unemployment in the city.

Mr. Bruce Milnan, the Scottish Secretary, who is to visit Dundee on Tuesday, will face a demonstration demanding that Tayside should be made a special development area.

More controversially, he is also likely to be asked to soften the Government's line on public expenditure cuts by local authorities so that 300 redundancies among the direct labour force of Dundee District Council could be avoided.

Mr. James Gories, development officer for Tayside, said that the city also needed more small advance factories to attract new investment.

Tameside accused—'school chaos'

A LABOUR MP yesterday attacked the Tory council at Tameside, Greater Manchester, for causing educational chaos and depriving 46 children of a school.

Mr. Tom Pendry, said he was preparing a dossier on the "sorry story. The Tameside education authority can no longer shuffle the blame on to others. This is where the buck stops," he said.

Although the new school year got under way at Tameside today, the 46 children at the centre of the row were given an extra week off. A selection panel, which allocated grammar school places at the request of the authority, has not yet had a chance to study their records.

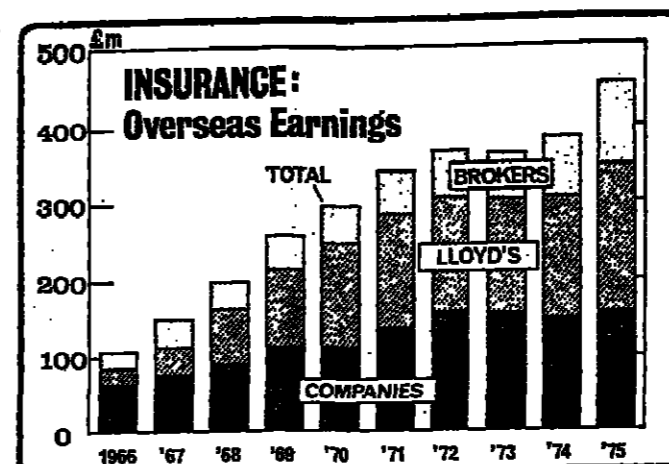
"The Authority won a legal battle to retain selection at two of its five grammar schools in defiance of Government policy," Mr. Pendry, whose Stalybridge and Hyde constituency covers much of the Tameside area, said. "As predicted, the term in Tameside has started with chaos. If Mr. Donald Thorpe, chairman of the local education committee, does not think that 46 children being without a school is anything other than chaotic, he is living in cloud-cuckoo land."

As 3,000 children reported to Tameside's six secondary schools for the first time yesterday, Mr. Geoffrey Mayall, Tameside director of education, said the selection panel which had allocated children to the authority's two selective grammar schools would consider today and Friday the cases of the 46 without places. Their records had not been available during the summer holiday, so they had been asked to stay away from school for a further week.

NEWS ANALYSIS—INSURANCE

Invisible, but strong

BY ERIC SHORT



brokers. Growth here has quadrupled in the past 10 years reflecting in part the increasing amount of overseas business in insurance brokers' hands.

Impressive

Impressive though, these figures are, they tell only part of the broker's role in the invisible. A large part of the overseas business of U.K. insurance companies arises from business obtained by brokers on all business at Lloyd's has to be placed by brokers.

A recent survey revealed that about 130 broking firms have some overseas business, most of it provided by the top 20 companies.

During 1974, it was found the 11 leading firms had sent 120 executives during the year 1 more than 70 different countries. One leading broker had sent executives on 125 separate overseas trips involving a total of 2,315 days spent outside the U.K.

With such a performance, it is perhaps surprising to find that only one insurance broker company—Minet Holdings—has received the Queen's Award for Exports. But brokers now have representation on the Committee for Invisible Exports.

The good results for 1975, Lloyd's and the brokers are from a resurgence in the North American market with good business being written on profitable terms.

A lot of business from the source was lost in the early 1970s when there was a rate-cutting war by the North American domestic insurers, which Lloyd's refused to participate in.

That business is now returning and growth is being held back by a lack of sufficient capacity. But the trend augurs well for this year's earnings.

Overseas

At present, about two-thirds of non-life premiums comes from overseas business, while the proportion is three-quarters. The leading insurance brokers also obtain the majority of their business from overseas.

There are three main sources of earnings from overseas business. The first is the income from the trading operations in the form of overseas profits or losses.

The underwriters—the insurance companies and the Lloyd's syndicates—receive the premiums for the risks taken on the portfolio, out of which they meet their expenses, then pay the claims arising from that business.

This business is transacted either as overseas business written in the U.K.—Lloyd's writes all its business on the home account, having no overseas branches or subsidiaries—or passed through subsidiaries based on the country where the business originates.

A considerable amount of overseas business done by the major U.K. composites is through subsidiaries.

The second source of earnings is the income which arises from the investments held overseas by the insurers—companies and Lloyd's. The premiums when received are invested until the claims have to be paid.

There is usually a substantial time-lag between these two events, and the high rates of interest available in most countries has resulted in a considerable growth of investment income. In addition, interest is

earned on the reserve funds held overseas.

The Central Statistical Office tables show that Lloyd's has considerably improved on its underwriting contribution in 1975 from £136m. to £164m., while the companies, in contrast, fell back slightly.

However, the investment income of the companies improved by £16m. to £70m., while that of Lloyd's advanced marginally to £26m.

This reflects the difference in method of operation of the companies and Lloyd's; the companies being much more investment-oriented and having much larger reserve funds available for investment.

However, the combined earnings of the companies and Lloyd's underwriting and investment income has shown a steady growth over the past 10 years, the companies having more than doubled and Lloyd's earnings being nearly 10 times higher.

The third main source of the insurance industry's invisible earnings comes from the overseas trading of the insurance

Drake and Cubitt plans to cut ex-chairman's consultancy pay

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

DRAKE AND CUBITT, the electrical, mechanical and general engineering company in which the Government is to take a minority shareholding, is negotiating to cut the value of a controversial consultancy agreement estimated to be worth around £100,000—with former chairman Mr. Robert Potel.

The move was disclosed yesterday as shareholders formally approved a set of resolutions to clear the way for the injection of £700,000 of Government aid and the sale of the Cubitt civil engineering subsidiary to Tarmac for £5.3m.

The group has recently incurred some very heavy losses and Mr. Potel, said at a meeting of shareholders, "I am sure that the company is in a position to consider payment of the consultancy fee."

He added: "What has happened over the last few years has been partly due to inflation, partly due to bad luck and partly due to lack of management in certain respects." The longer-term prospects, however, were brighter.

Mr. Abbott told yesterday's meeting that the restructured group was now expecting "a satisfactory profit for the year as a whole."

In the year ending last October, the old group showed a trading loss of £4.8m. and in the first six months of the current year had a pre-tax profit of £17,000, against a £196,000 loss last time from those companies which will now be remaining in the group.

Mr. Abbott said that talks were underway to get Drake and Cubitt shares restructured, although it could be up to three years before the company was in a position to consider payment of the consultancy fee.

He added: "What has happened over the last few years has been partly due to inflation, partly due to bad luck and partly due to lack of management in certain respects." The longer-term prospects, however, were brighter.

Swedes aim for stake in Thistle

By Ray Dafter, Energy Correspondent

THE SWEDISH oil industry is planning to take a significant stake in North Sea exploration and development.

Svenska Petroleum, the State-owned Swedish oil group, is negotiating the acquisition of shares in offshore oil reserves.

Details have not been disclosed, although it is known the company has discussed with Santa Fe the possibility of buying a stake in the Thistle field. Santa Fe at present has a 25 per cent interest in Thistle.

Confidence in Svenska Petroleum's continued interest in North Sea comes from a report in Sweden. Mr. Sture Arval, managing director of the State-owned group, is quoted in a business weekly Vacker as saying that possibilities for a stake could amount to about Swedish Kr.1.5 (£128,000).

Talks were being held with British and U.S. concerns, involving two different projects. The London-based divisions would aim at giving Svenska Petroleum ownership over certain quantities of oil source. Contracts were expected to be ready by the end of the year or in January.

Whereas Svenska Petroleum interested in gaining a foothold in commercial production, the Swedish exploration group Petrosve is anxious to become involved in future exploration work.

It is likely that Petrosve will join other groups in a bid to win concessions under the fifth round of U.K. offshore licences. These are expected to be awarded at the end of the year or in January.

THE GOVERNMENT is expected to press for part of the work on a £500m. Norwegian oil production platform to be carried out in the U.K.

It is anticipated that the second production and storage platform for the U.K./Norwegian Statfjord field will be built in Norway. However, in view of the British interest in the field—British National Oil Corporation has a small stake—the Government is anxious for a least part of the work to be undertaken in the U.K.

British platform yards are offshore equipment manufacturers have been severely hit by the hiatus in U.K. platform ordering over the past two years. It is likely to be stressed by Mr. Anthony Wedgwood, Energy Secretary, when he meets Mr. Bjartmar Gjerd, Norwegian Minister of Industries, in London next week.

With most of the big Statfjord field lying in the Norwegian sector, it has always been assumed in the oil industry that the next platform contract would go to a Norwegian contractor. The Norwegian industry has also stressed that it has been hit by the slow-down in the offshore ordering programme.

Reports in Norway suggest that Statfjord, the State-owned company, and Mobil Oil, as the leading companies involved in Statfjord, will order a £500m. Condeep platform from Norwegian Contractors. This is the group that is constructing the first platform.

The four-legged platform is expected to be towed to the field in 1980.

'Return' of oil tankers poses threat to freight rates

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE STEADY withdrawal of oil tankers from lay-up continued last month and is now posing a serious threat to the present fragile stability of freight rates.

London tanker brokers are becoming increasingly anxious about the number of tanker owners attracted by present rate levels into bringing their ships out again.

Mr. Hilmar Rekten, Norway's biggest tanker owner until the slump brought him to near financial collapse, is understood to be among those planning to put laid-up vessels back into the oil trade.

According to figures compiled by Howard Houlder (Chartering), 55 tankers totalling more than 5.5m. deadweight tons were removed from the lay-up list in August.

While some of these ships will have gone straight to the breakers' yards most are hoping to break into a trading pattern which has helped to stabilise recent freight levels at around 30p per ton for spot voyages out of the Gulf.

Houlder calculates that tanker and combination carrier tonnage still idle amounts to 449 vessels equalling 42.5m. dwt compared with a 50-year-old fleet of 1,000 vessels and 514 (49.9 dwt) on July 1.

So far, the spot market has managed to absorb the extra tonnage without a significant fall in rates. But some brokers now regard the market as

extremely fragile, with recent activity prompted more by anticipation of an OPEC price rise at the end of the year than by an underlying recovery.

While demand for Very Large and Ultra Large Crude Carriers is holding steady, Lambert Brothers Shipping warned yesterday that an oil price rise could halt general economic recovery.

Pointing to slack demand for smaller vessels in the 70,000-125,000 dwt range, John L. Jacobs, in his weekly report, says that "there is reason to think that it is somewhat premature to be too optimistic about market prospects for the balance of the year."

At the moment the Corporation has a £60,000-an-hour limit on purchases or productions and even though Gone with the Wind runs for more than three hours, the deal was still impractical.

"If we had been able to buy three showings for that price we might have been able to start talking," said Mr. Cowgill. "But even then what could I have said to a drama producer who wanted money for something?"

"For the same money, I could make 36 Fordes."

Mr. Cliff-Michelson has ended his exclusive contract with the BBC and is turning to freelance. One of his new jobs will be to host the BBC's Sunday programme.

Mr. Michelson will be one of a team of hosts replacing Wilfred Pickles who was dropped last month. Mr. Michelson, 56, who lives in Reigate, Surrey, was a mainstay of BBC current affairs programmes in the past.

He has spent his entire 27-year career in broadcasting with the BBC.

"I had a contract which kept me exclusively bound to them. It seemed to me the time had come to say 'Let me go and do other things with other people'."

Mr. Michelson will continue to work for the BBC and is at present working on a new series of holiday programmes starting in January.

BBC TV's £6m. programme shortfall

BY ARTHUR SANDLES

WHEN BBC-1's executives meet today for discussions about the 1977/78 programme plans, they will be told that there is a short fall of £6m. between what is proposed and what is financially practicable.

BBC-1 programme controller Mr. Bryan Cowgill said yesterday that there could not be extra spending now in anticipation of any licence fee rise next spring.

Anyway, you do not produce change simply by dropping money in.

In spite of this, the BBC hopes to have more original programming and fewer repeats in 1977, particularly in the summer months which this year were rescued to some extent by

Olympics coverage.

It remains to be seen how far the Government will go towards helping the BBC out of its financial difficulties. There are suggestions that the Corporation would like a 50-year colour TV licence fee (it is £18 a year at the moment) but, as Mr. Cowgill suggests, the implementation of this would come far too late to help with 1977/78 programming.

Even with an increase on this scale, the Corporation could not take advantage of some of the deals it has been offered recently.

Notable among these was a suggestion from MGM that the BBC should pay \$1m. for the right to show Gone with the Wind once at prime time.

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Leyland dealers 'better off'

By Terry Dodsworth

A SURVEY of the major motor distributors in Britain has come up with the surprising conclusion that British Leyland's larger dealerships are more profitable than those of Ford.

Despite Ford's superior record of profitability, the report shows that BL's ten largest privately owned dealers made 32 per cent more profit than their Ford equivalents. The total sales of the two groups of dealers are almost equal.

The survey, published by Jordan Dataquest of London, measures the companies on both a profit-to-sales ratio and a profit-to-assets ratio. The Leyland dealers, it says, made an average of 2.5 per cent. return on sales, and 8.3 per cent. on assets. Ford dealers made 2 per cent. on sales, and 6.0 per cent. on assets.

Even lower down the scale of dealerships, Leyland franchise holders appear to be doing as well, if not better than, their counterparts at Ford. Of the 178 BL dealers examined, 11 were loss-making, while 29 out of 210 Ford distributors made losses in their last filed year.

A large number of companies showed a fall in turnover within their latest filed year—the survey generally covers companies up to the 1975 financial year. But Jordan Dataquest says that the trade is now enjoying better demand and higher profitability.

Among the 20 largest Ford dealers whose accounts reflect some part of 1975 trading, 17 show an increase in sales.

The survey, price £28, is available from Jordan House, 47, Brunswick Place, London N1 6EE.

Petrol rises jam the pumps so customers must do own sums

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE DEPARTMENT of Prices and Consumer Protection has agreed to relax its petrol pump price indicator regulations because of mechanical problems in some of the country's 120,000 pumps.

The agreed modifications, which mean that retailers will be able to blank out the price-to-pump indicator on some pumps, or alter it to indicate a price per half gallon, were criticised as "confusing" by the Consumers Association last night.

But the Association added that, although welcoming the measures, it could understand why they had been taken.

The problems arose because of strain on mechanical components in the pumps, price-measuring equipment as inflation has pushed up prices faster than expected. In a small number of cases—about 1 per cent., says the Department—the components broke down leaving the retailer unable to use the pump.

Under a current regulation, pumps designed to show both the amount of fuel bought and the price paid have both indicators working. The Prices Department is now waiving that regulation to keep the pumps going.

Comments from the trade last night suggested that most petrol stations encountering difficulties with their pumps would pick the half-price display solution, rather than blanking out the price-to-pump completely. This means that the mechanism will be recalibrated to show half the price a customer should pay for any given amount of petrol.

Stations will be required to show clearly that the amount indicated must be doubled. By recalibrating to the half-price system, most of the damaged pumps can be brought back into operation because they can cope with the slower recording.

The new scheme came into operation yesterday for an indefinite period. It was worked out by the Prices Department, the retailers, oil companies and petrol pump manufacturers. Last night Mr. Goldie Goldsmith, chairman of the National Petrol Committee of the Motor Agents Association said: "We support everything the Department has said, and affirm that there should be no increase in the price of petrol to the consumer because of this scheme."

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Marconi books £6m. order

An order worth more than £6m. for the first aerial system at the Post Office's new satellite station at Marley, Essex, has been placed with Marconi Communications Systems.

The aerial is due to come into service early in 1978. It will work to a satellite over the Indian Ocean, handling all satellite communications between the U.K. and the eastern hemisphere up to the early 1980s and taking 82m.

With an annual growth rate of more than 20 per cent., international telephone calls are one of the fastest growing sectors of telecommunications, rising last year from 78m. to more than 82m.

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IN BRIEF

Toyota's revised £5m. plans go before council

TOYOTA (GB) REVISED plans for a £5.3m. vehicle distribution centre at the Port of Bristol's new West Dock were submitted to the Wapping District Council yesterday. They are expected to be approved by the planning committee on September 13.

Toyota's original plans were refused an industrial Development Certificate by the Department of Industry. The company has tried to frame its new plans in such a way as to remove the need for an IDC.

Fiats up
Flat prices will go up in the U.K. by an average of 4.5 per cent. from September 22, but it is hoped to hold the present price of the 126 model until December. Fiats already in dealers' hands, or on order, will be available at present prices.

People's champion
Mr. Robert Kilroy-Silk, Labour MP for Ormskirk, has the best

Food fears
Fears of higher food prices because of the drought have led to a sharp recovery in U.K. sales of freezers in the past two months. But in the first six months of 1976 sales were down 8 per cent. from 432,872 a year before to 415,625, according to figures released yesterday by the Food, Freezer and Refrigerator Council.

Belfast visit
Mr. David Steel, leader of the Liberal Party, will visit Belfast on Monday on a goodwill and study tour. He will meet representa-

Mulley accused
Mr. Charles Clarke, president of the National Union of Students,

New foundries
The first of two new foundries which will provide 80 jobs at Houghton-le-Spring, Co. Durham, is to be opened next week by Solidus Foundries International, to produce ferrous castings. A second foundry will produce aluminium gravity die castings.

Tanker jobs
Some of Greenwells Dry Dock facilities, Sunderland are to be used this week for the first time since the yard closed in March with the loss of 500 jobs. Month-long repair of a 62,000-ton tanker belonging to the Greek line Colcostron will employ 120 men.

Halt M-ways
Stoppage of all motorway construction and resumption of the Channel Tunnel project are urged in a booklet produced jointly by the Railway Development Association, the Walsall Area Passenger Group, and the West Midlands Transport Committee for Public Transport in the region. The booklet's Transport Consultative Document 1976.

Social switch
Guernsey's Parliament has been asked to approve an income-related social insurance scheme which would affect about 20,000 contributors now on a flat rate. The maximum weekly contribution would be £7.14 for employed adult males.

Attacked Mr. Fred Mulley, Education Secretary, for a year of "sheer wanton destruction and vandalism" at the opening of the Union's teacher education conference at Ormskirk.

Travel agents 'fail to uphold conduct code'

Five simple ways to achieve relaxation. One of them flies to New York every day.

EXERCISE 1.

Sideways stretching.

Feet placed comfortably apart. Breathe in and bring stretched arms up to the sides. Breathe out and slowly stretch over to one side.

Slide one hand down the leg as far as it will go. While the other stays in the air.

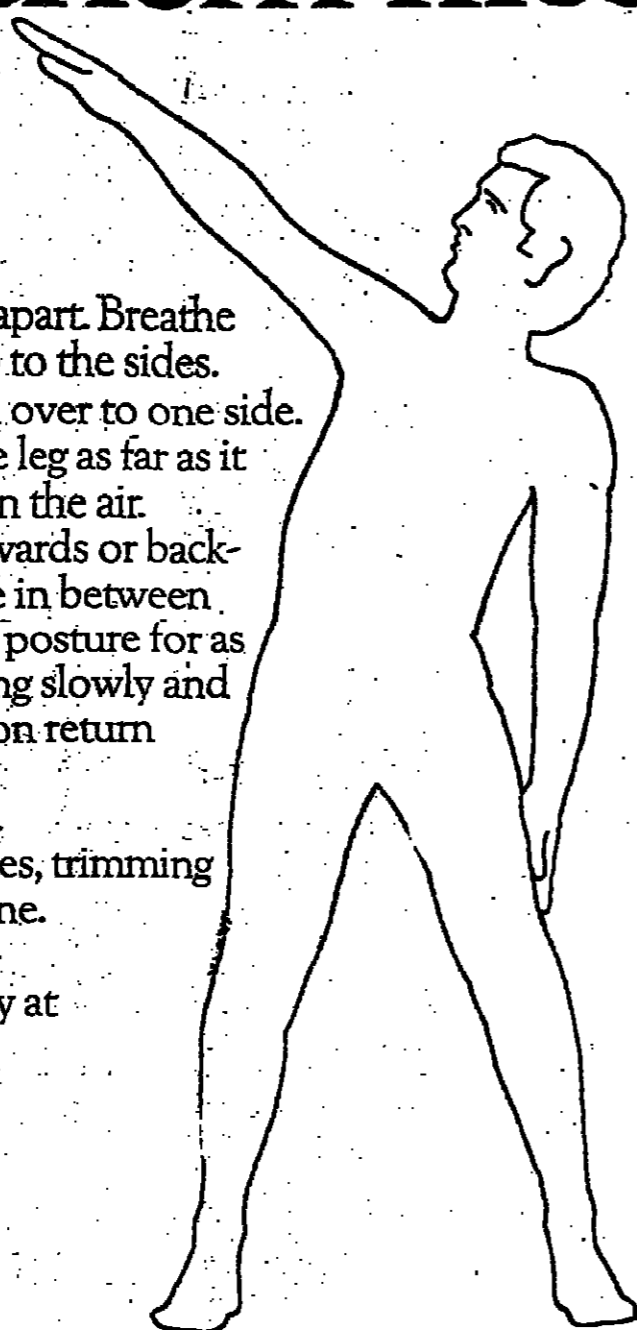
Take care not to lean forwards or backwards but imagine that you are in between two panes of glass. Stay in this posture for as long as is comfortable, breathing slowly and steadily. Gently on an inhalation return to upright position.

Repeat on the other side.

Stretches waistline muscles, trimming them. Brings suppleness to spine.

Strengthens legs.

Try it after a strenuous day at the office.



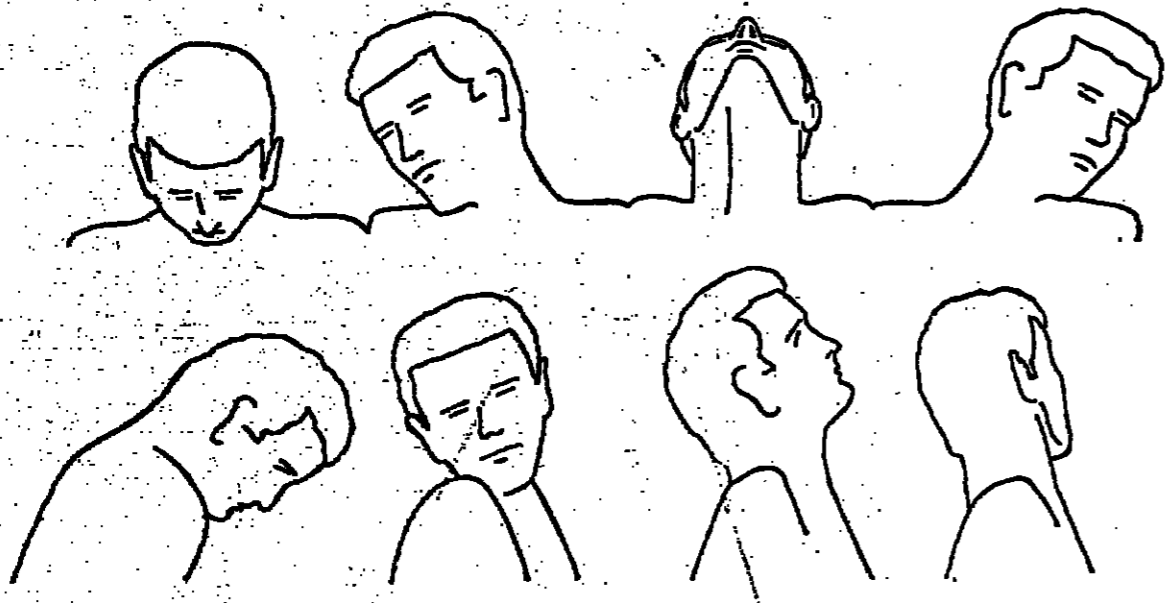
EXERCISE 2.

Circling the Head.

Loosens the tensions in the neck, back and shoulders.

Sitting in an easy cross-legged position, or on any chair or stool, ensure the freedom of movement of the back and head. Drop the head forward and completely relax the neck. Moving from the waist, using the whole upper part of the body, let the head roll in a circle. Do not push it around but rather let it loll. In doing this the head moves completely freely and eases one of the worst tension spots we have. Circle from three to five times continuously in one direction, then repeat the other way. Remember to keep the jaw relaxed; yawning, sighing and deep breathing will all help. This exercise is usually noisy and painful to start with, but done for a few minutes daily quickly becomes a very pleasant way to relax.

Try this at your desk in the office between meetings.



EXERCISE 4.

Shoulder Stand.

The inverted postures are an extremely important part of the Yoga session. Their beneficial effects are numerous and widespread. They can help you regain youthfulness and delay wrinkles, clear and revitalise the complexion, improve eyesight, stimulate hair growth, cure insomnia by calming the nerves.

These effects are caused by reversing the pull of gravity which causes sagging of tissues and displacement of vital organs, and by putting pressure on the Thyroid and Para Thyroid glands, which are the master glands of the whole Endocrinal gland system that keeps us balanced mentally, emotionally and physically. Also by sending an extra supply of blood to the head and upper part of the body it cleanses and revitalises. It helps to stretch the spinal cord and feeds and massages the spinal nerves.

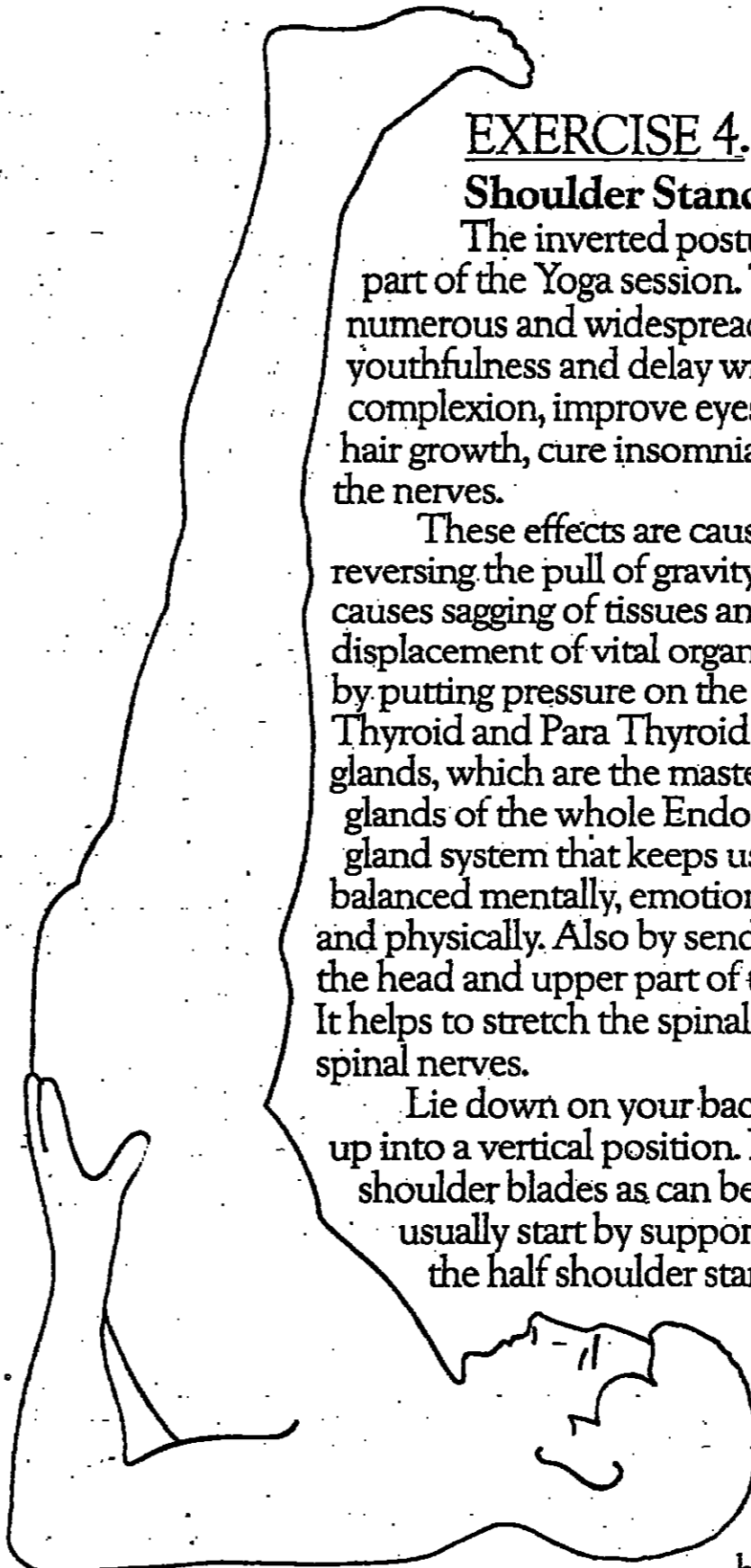
Lie down on your back and slowly lift the legs and body up into a vertical position. Place the hands as near to the shoulder blades as can be managed comfortably. Beginners usually start by supporting the hips or waist, known as the half shoulder stand.

With practice they are able to get into a straight line from the shoulders up. The chin is pressed closely into the chest, thus putting pressure on the Thyroid. Close the eyes and breath deeply using the stomach.

Stay in this position only as long as comfortable. A lot of beginners find this a painful posture, and indeed, some cannot get into the half shoulder stand. Remember, do not push yourself into painful positions; with a little patience and a relaxed attitude of determination it soon becomes easy.

Try this in your hotel room after a long day on the road.

N.B. This exercise should not be attempted during a menstrual period or if you suffer from heart disease.



Use of this simplified position alleviates strain on neck and chest. Is very relaxing and beneficial.

EXERCISE 5.

Crossing the Atlantic.

This exercise can only be attempted in an Air-India airline seat.

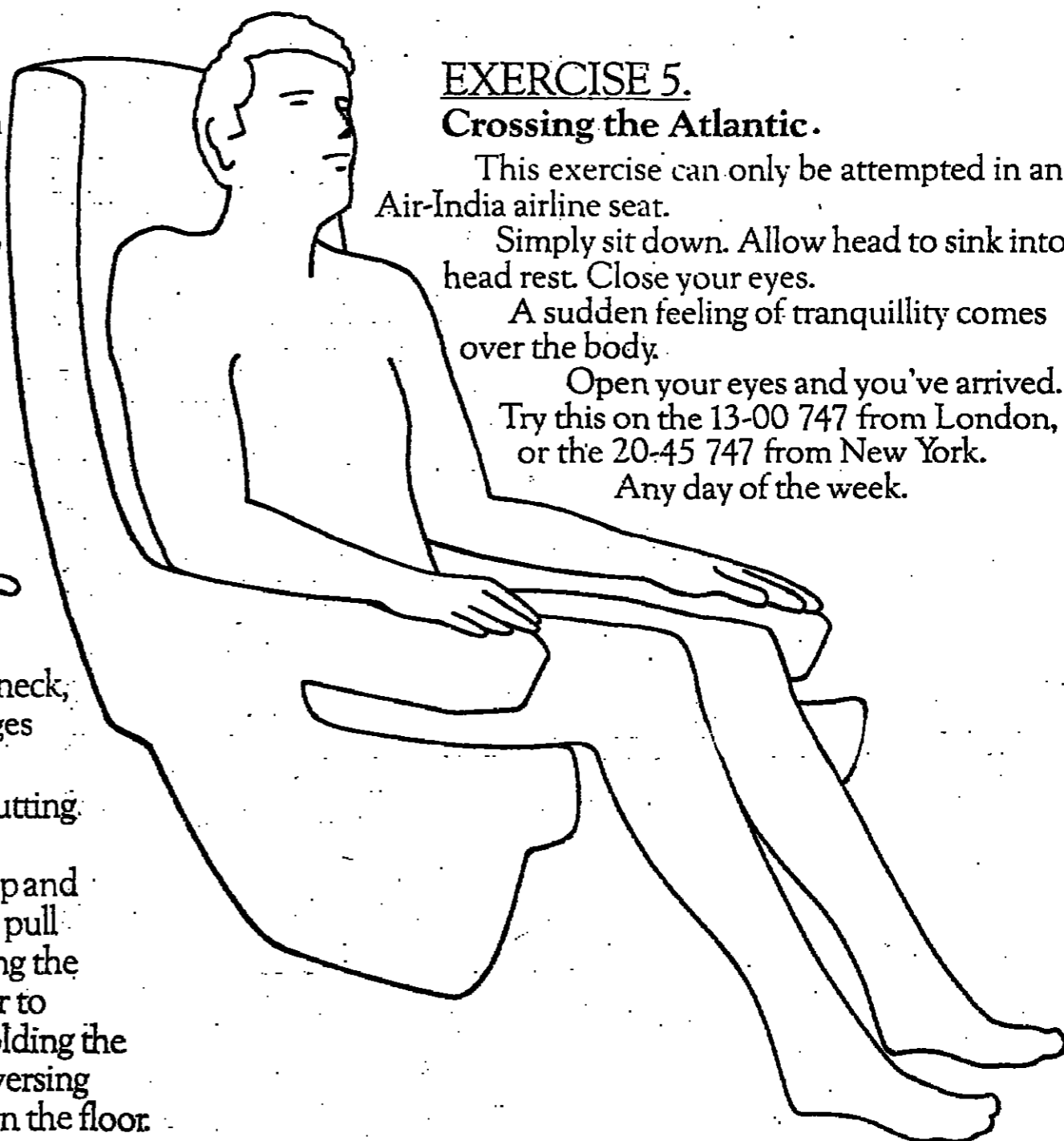
Simply sit down. Allow head to sink into head rest. Close your eyes.

A sudden feeling of tranquillity comes over the body.

Open your eyes and you've arrived.

Try this on the 13-00 747 from London, or the 20-45 747 from New York.

Any day of the week.



EXERCISE 3.

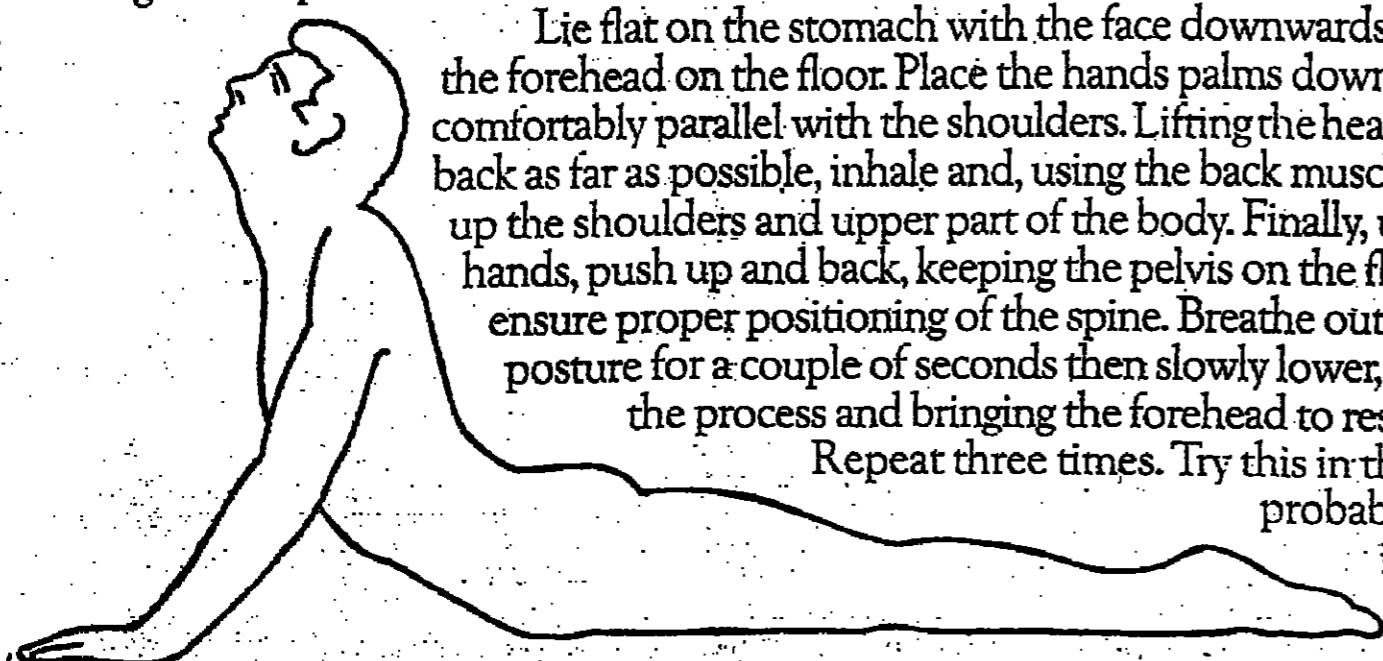
The Cobra.

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Lie flat on the stomach with the face downwards, putting the forehead on the floor. Place the hands palms down comfortably parallel with the shoulders. Lifting the head up and back as far as possible, inhale and, using the back muscles, pull up the shoulders and upper part of the body. Finally, using the hands, push up and back, keeping the pelvis on the floor to ensure proper positioning of the spine. Breathe out holding the posture for a couple of seconds then slowly lower, reversing the process and bringing the forehead to rest on the floor.

Repeat three times. Try this in the morning, it's

probably more refreshing than a glass of orange.



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LABOUR NEWS

Early retirements would cut mine labour by third

BY ROY ROGERS, LABOUR CORRESPONDENT

MINERS' LEADERS were told yesterday that if they succeed in their demand to have the miners' retirement age reduced by 10 years to 55 by 1980, the industry would lose about a third of its labour force.

The warning came yesterday in a report drawn up by the National Union of Mineworkers' industrial relations department, and is clearly designed to soften attitudes in advance of negotiations due to be held with the National Coal Board in October.

It was discussed yesterday by the union's negotiating committee, which also decided to set up a working party to reconsider the contentious issue of an incentive scheme to boost flagging coal production.

NUM negotiators asked for the October meeting with the Board after hearing that the Board was

not yet in a position to give a reply, given the wide implications of the early retirement demand. The claim for a five-year reduction in retirement age by next January, and further staged reductions over the next four years, came from this summer's annual NUM conference, which also demanded that the retirement age would be reduced, in stages, to 62, although it wants the Government to finance it.

The implications of the demand were spelled out yesterday in the internal NUM report which underlined the manpower shortages that could result. Some 117,000 of the industry's 280,000 miners are aged 55 or over, and when the 16,000 annual recruitment figure and the 7,000 annual wastage figure are taken into account, it is estimated that the industry would be left drastically undermanned. Output, at

ready well below target, would suffer.

Although it cannot meet these demands, the Board is not unsympathetic to the miners' aim of parity with their continental and U.S. colleagues who retire at between 55 and 60. In fact, the Board has suggested a voluntary scheme under which the retirement age would be reduced, in stages, to 62, although it wants the Government to finance it.

To date, the Government has refused, although the Prime Minister has stated in the House of Commons that the Government is aware of the miners' aspirations, and that the demands should be "seriously considered" because of miners' working conditions. NUM negotiators also decided that a working party should study various incentive payments schemes and report back to the full executive, which will then make recommendations to a special delegate conference.

Steel men strike over bonus change

By Ian Hargreaves, Labour Staff

OVER 1,000 machine shop workers at the British Steel Corporation's River Don works staged a 24-hour strike yesterday in protest at the corporation's decision to reorganise a productivity bonus scheme.

The men, almost all of whom are members of the Amalgamated Union of Engineering Workers, say they will take further strike action if the corporation does not withdraw its announcement that the old scheme will be ended on September 30. Mr. Tony Hope, the engineers' works convenor, said that the Corporation had decided unilaterally to withdraw the productivity agreement, which had been in operation since 1968. The deal was worth about £15 a week, or 25 per cent of basic earnings, to men in the machine shop.

Mr. Hope said that an alternative scheme offered by the Corporation would mean a reduction in earnings for his members. "This scheme is a non-starter. We have no intention of taking a cut in bonus earnings, which the TUC-Government pay policy will prevent us from correcting. In any case, as we understand the spirit of the pay policy, it is not intended to take away what we have, but only to limit increases to 5%." There will be pressure for further action, and I would support any call for indefinite strike action.

The Corporation was refusing last night to comment on the complaint that it was attempting to cut the men's earnings potential by renegotiating the scheme, but said that the matter should be dealt with under normal procedure. If a failure to agree was registered, it should be taken up at a higher level.

The River Don works produces large steel castings for the capital equipment market and, with an order book heavily dependent on the shipbuilding and power generation industries, is currently operating below peak capacity.

Equal pay row causes Trico lay-offs

By Our Labour Staff

TRICO-FOLBERTH, the windscreen wiper company hit by a 15-week-old equal pay strike, has decided to lay off all production workers—445 men and 77 women—at its Brentford and Northampton plants. The lay-off will take effect on Friday.

During the dispute, 350 women and 150 men from the Brentford factory have been on strike, but production has continued with two-thirds of the company's 1,600 employees still working.

The dispute was taken to an industrial tribunal whose findings were unanimously in favour of the company, which was told that the strikers' claim was broken. The Government's pay code "There has however, not been a significant return to work and there is no alternative but to invoke the lay-off clause in the national agreement," the company said.

Nurses warned to beware of time and motion

BY OUR LABOUR STAFF

HOSPITAL NURSES are being warned to beware of time and motion men monitoring their work. The warning comes in the Public Service Journal of the National and Local Government Officers Association (NALGO).

It says that a system of timed nursing care, incorporating work-study techniques, which originated in the Grampian health board, may soon be introduced to hospitals in England and Wales. Trial runs of the "Aberdeen formula" have been examined and discussed with the already been made in English Department of Health.

Methil rig men stage walk-out

THE redundancy-threatened oil rig construction workers at Methil staged a mass walk-out yesterday.

The 1,300 men employed by Redpath Dorman Long had earlier been told that only 300 would be kept on when existing orders are completed next February.

After a meeting at the yard to discuss severance payments, the shop stewards asked that certain strings attached to the bargain be refused. When the management refused to re-negotiate, the workers imposed a work-to-rule and overtime ban. Some of the men were suspended and the rest of the workforce left the yard.

Jobs hopes rise for ex-prisoners

By Stuart Alexander, Industrial Staff

A NOTE of optimism about the attitude of major employers to former prisoners is sounded today in the tenth annual report of Apex, the Association for the Promotion of employment of ex-offenders.

While the work of the charitable trust has been hampered by the present shortage of jobs compared with the booming conditions of the late sixties, a more realistic view and sympathetic mood among employers is reported by Mr. Paul Lumkin, the general administrator.

Apex is organising a series of seminars for employers which, it hopes, will throw light on the procedures and difficulties of finding jobs for ex-offenders. At the same time it has set up a careers advice and employment counselling service in one open prison and has started training in interview techniques at other establishments. This, says the trust, is to counter what seems to be a growing lack of confidence in the part of employers about job vacancies and their own abilities and capacities.

Help offer

The trust, which deals mainly with "white collar" job placing, was disappointed in 1975 with its total of 143 interviews with employers but notes that working relationships have been developed recently with the Institute of Personnel Management and the Industrial Society, which have offered to help encourage greater understanding among their members.

The trust, which already receives some aid from the Home Office, hopes to introduce a careers counselling service more widely in prisons and to be able to extend its own service in the provinces.

A campaign to persuade prisoners to join the movement to change the penal system was launched yesterday by the Howard League for Penal Reform. It is offering cut-price membership for prisoners and their spouses of 25p instead of the usual annual rate of £4.

CARIBBEAN REPORTS

The Financial Times proposes to publish reports on the British Virgin Islands and the Cayman Islands. The provisional editorial synopsis and dates are set out below:

BRITISH VIRGIN ISLANDS

Thursday, 30th September, 1976

1. Introduction:
2. Tourism:
3. Agriculture:
4. Fisheries:
5. Communications:
6. Profiles:

CAYMAN ISLANDS

Friday, 1st October, 1976

1. Introduction:
2. Banking and Finance:
3. Tourism:
4. Communications:
5. Agriculture and Fisheries:
6. Profiles:

It should be noted however that the contents and publication dates of reports in the Financial Times are subject to change at the discretion of the Editor.

Should information relating to advertising in these reports be required please telephone Helen Lees on 01-248 8000 Ext. 238 or 01-236 1965.

FINANCIAL TIMES SURVEY

Thursday September 2 1978

Dutch Capital Market

The mood of the business and financial community in the Netherlands is one of caution. As in Britain, currency uncertainties, high interest rates and doubts about the direction of the economy are the main depressants. Activity in the capital markets is at a low ebb, with Government the only borrower of size.

NORMALLY looked upon as one of the comparatively few havens of well-ordered calm, the Netherlands has been having some political upsets recently with the Prince Bernhard investigation and doubts have been growing, both internally and abroad, about the cracks which have been appearing in the economy. The most obvious manifestation of this has been the comparative weakness of the guilder relative to other snake currencies since last March. True the guilder improved markedly last month following the rise in the Dutch bank rate to 7 per cent, but the Dutch authorities previously had to intervene quite heavily in support of the guilder, causing losses to the official reserves between the end of February and early July. Nearly half the decline occurred from the end of May onwards.

With bad figures on the price index, unfavourable comparisons are being drawn between control of inflation in the Netherlands as compared with West Germany, which is its largest trading partner. Running at possibly 10 per cent. on an annual basis, it appears to be moving closer to the British level and is twice that of Germany's.

Coupled with still rising unemployment and a sluggish rate of recovery (the anticipated 4 per cent. growth in GNP for 1978 now looks unlikely to be reached) the Dutch seem to be getting an uncomfortable feeling that they are catching various "English diseases" and they are not really used to the experience. This perhaps leads them to see the problems as rather larger than they are in reality.

Be that as it may, the realisation of these problems has caused an overall shift out of the guilder since May by foreign investors and confidence was not helped by the apparent attitude of the trade unions towards foregoing wage-indexing, and the proposal of the Dutch Government to introduce a "VAD" levy. This is basically a system for creaming off "excess" corporate profits and handing the money over to a trade union mutual fund. What constitutes an excess profit will be decided according to a linkage with the return on Government securities and the levy is retroactive to January 1975.

Perplexed

With a current accounts surplus on balance of payments expected to be in the region of Fls.5-6bn. in 1978, the decline in the fortunes of the guilder (especially relative to the Deutschmark) has perplexed the Dutch authorities, since by all the normal yardsticks it still ought to be fundamentally strong. But the feeling by the authorities is that people are starting to realise the basic position of the guilder has changed during the past few months for a variety of reasons.

Perhaps the most important of these is that doubts about the recovery of the economy are growing. Beginning in May

that it will never actually be introduced. The annual yield is estimated at a maximum of Fls.500m. (there are considerable doubts about the exact level) and the Government faces a general election next May.

The Dutch authorities are notably disappointed with the way things have started to go in the second half, especially about the "snowball" psychological effect on the guilder of a diminished confidence. An

investors in four issues on the capital market, but in the middle of May non-resident VAD. Foreigners have parted with their shareholdings even more than their bonds and domestic investors (with no restric-

ment market, which was strong in the first half of 1975, has now slumped and this is probably the most important factor of all. The private placement sector in unlisted issues is virtually a free market in loans direct from the institutions to borrowers and accounts for possibly 80 per cent. of the entire Dutch capital market. But with interest rates high and confidence low there is very little incentive for industrial borrowers at the moment.

Another source of worry is the growing Government financing requirement, for the total Budget deficit is reckoned to be in the region of Fls.15-17bn. this year and the gloomiest predictions are that it will be much the same in 1977 unless there is a definite pick-up in GNP growth. So far this year the Government has raised four public issues, amounting to Fls.2.1bn. and is thought to have borrowed Fls.500-600m. on the private placement market from a limited number of institutions. This tends to be a grey area so far as statistics are concerned but the interesting fact is that this is the first time in Dutch history the Government has directly tapped the private placement market. It is thought that more loans will need to be raised both publicly and privately.

field and the latter is encouraged by the Government. However, fears that this might divert funds from other sectors are slight, for the total supply of capital market is rather high—the Dutch personal savings ratio, for example, is 18 per cent.

Relief

The revival in the strength of the guilder last week must have come as considerable relief to the Dutch central bank, for it was felt Dutch capital market problems were essentially a currency problem. The Dutch authorities do not wish to leave the snake—which would probably lead to an increased fight from the guilder—but neither do they wish continually to support the guilder with interest rates spiralling. This would cripple economic recovery and there is the feeling anyway that only a certain amount can be done with higher interest rates before they become self-defeating as a currency prop. At least the latest rise in bank rate seems to have done some good.

However, the capital market remains in the doldrums and it will probably take some definite good news on the economic front plus an improvement in the inflation rate before confidence returns. This is more an international problem than one which is unique to the Netherlands and the hope is that traditional "level-headedness" will soften the impact of radical domestic proposals such as VAD.

Low demand for funds in most sectors

By Christopher Hill

But what it has done already is to depress the Dutch business community and to give the impression abroad that the existing comfortable system of business and trade union co-operation might be vanishing in favour of a totally trade union dominated environment. After all, the VAD proposals appear to go further than anything which has so far been put forward by Left-wing groups in Britain and the prospective return on industrial capital is down to the dangerously low level of 3 per cent. This has been on a declining trend for many years.

example of this is the renewed talk about what will happen when Dutch gas exports start to tail off in the 1980s. What the authorities say is that there is nothing new about this and that the Dutch balance of payments would still look relatively healthy even taking account of the "vanishing gas" factor. But it has all helped to change the mood in the Netherlands into a defensive one.

The most obvious examples of this are higher internal interest rates and a complete turnaround in the attitude to capital outflow. During the early part of the year Fls.1.1bn. has been experiencing violent

borrowers up from 8 to 10 per cent. over the period following. The capital market is now entirely different, with a queue in the public sector (policed by the central bank) stretching out to a year. At the beginning of the year, the market could have withstood three public issues at the same time—according to official sources—but the feeling now is that even one loan of Fls.150m. would stand a good chance of being left at least partially with the underwriters.

The same malaise is evident in other capital markets including the bond market, which has been experiencing violent

tions on overseas investment) seem to prefer the U.S., German and Japanese markets.

That is where they invest if at all, but the authorities have not failed to note the general increase in institutional liquidity—not only in the "social" funds which have continuous cash commitments but also among insurance companies and pension funds which were traditionally fully invested. The corollary to this is that institutional investors all seem to be expecting higher interest rates and have been selling bonds in Amsterdam.

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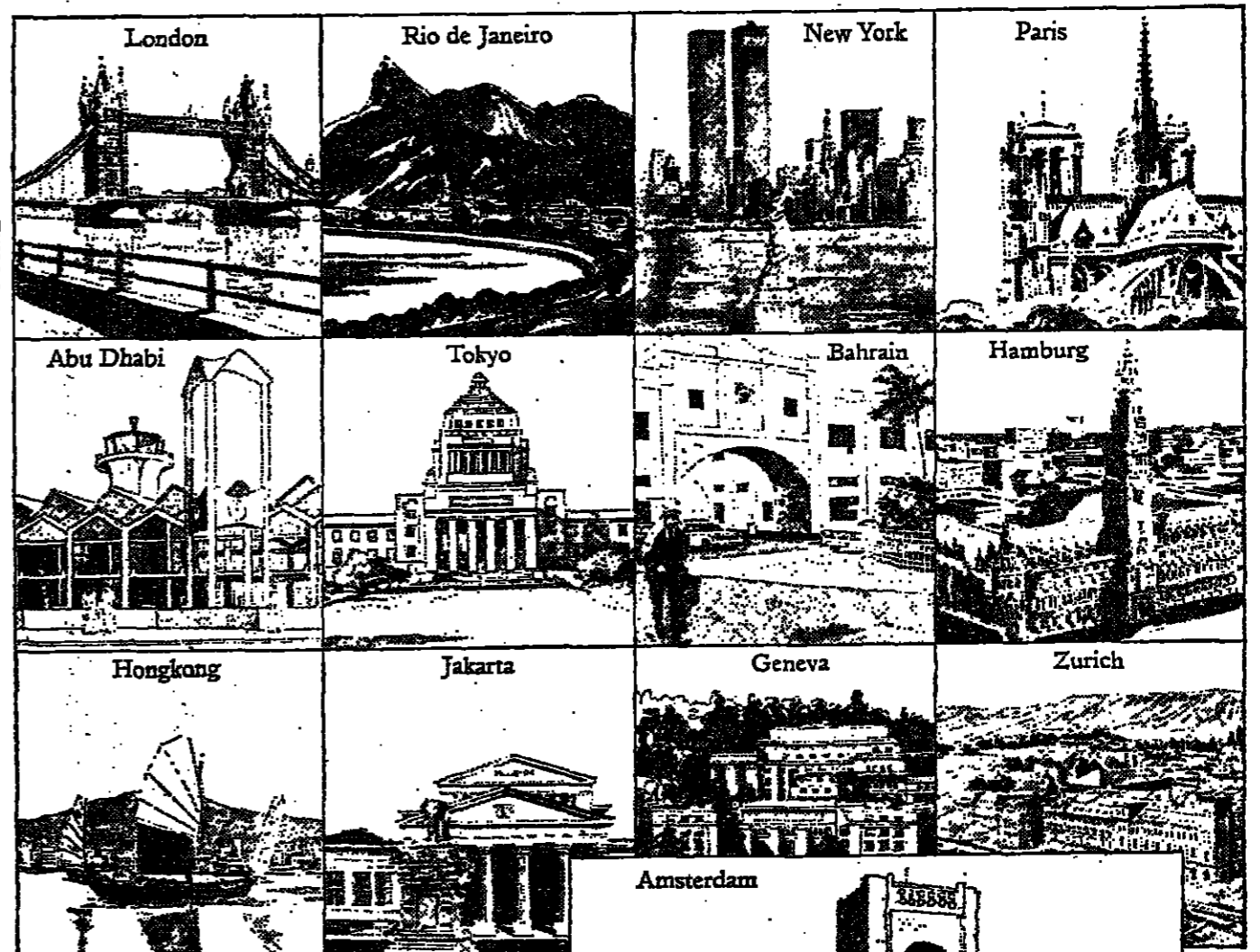


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DUTCH CAPITAL MARKET II

Doubts on the stock market

THE STRIKING features about the Dutch stock market at the moment are that it reflects many of the problems currently being experienced by the U.K. stock market and that the same questions are being asked about its future as a fund raiser for industry. Indeed in some ways its position seems to be more open to doubt, for the Dutch Minister for Economic Affairs said last spring that it seemed to him that the share was no longer an effective means of financing companies and that other methods might have to be sought. This and other factors, political and economic, have produced a situation where the market is bumping along close to its low for the year and even the large international stocks (which dominate the market) are feeling the draught as foreign investors lose interest.

Foreign interest is highly important to the Dutch stock market because the large international stocks (such as Royal Dutch, Philips, Robeco, Rolinco, Unilever and Akzo) amount to roughly half the total market value of Dutch shares (Fls.49bn. at the end of 1975). On the domestic front, the stock market has to compete with the private placement market where institutions make loans direct to companies and—with no very good news to tell—domestic Dutch companies seem to prefer to take that route rather than expose their needs in public.

Disinclined

But the real trouble appears to be that, although Dutch companies are reckoned by the stock exchange to be in need of long-term capital, there is a disinclination by commercial and industrial companies to raise any new capital at all by whatever form. Even in 1975 financial institutions were much more in evidence as raisers of capital than the industrial companies and the biggest borrower with public issues was the Government (Government bond issues rose from Fls.471.9m. to Fls.1.93bn. between 1974 and 1975). Elsewhere the most important issuers of loan capital were the Dutch mortgage banks, but only four new share issues were officially listed in 1975.

This year the position is even more unbalanced, with stock market turnover dragging along at a low level (Fls.60m. to Fls.100m. on a good day) and potential capital-raisers staying away. The reasons for this stretch out to an impressive list, but the main ones suggested by Dutch stock market sources appear to revolve around the political influences. Paramount among these is the potential "profit surplus" tax (VAD) which seems to be scaring both Dutch and foreign investors.

The stock exchange says that after payment of wages and other costs the proportion of company revenues which remain to shareholders now amounts to only 3½ per cent. of the total and there is clearly some alarm that the next step might be an overall negative return if the Government and the trade unions have their way. This and the fact that the Dutch inflation rate is much higher than that of its main trading partner, West Germany, has also adversely affected the guilders, thus leading to the disappearance of the foreign investor who is by now highly nervous of currencies which come under pressure. The U.S. investor is prominent in this respect.

Dutch investors are similarly affected because in order to protect the guilders the Government has let interest rates rise to the point that where the debit interest rate on a bank current account is now 11½ per cent. and institutions can secure interest rates of 16-17 per cent. on an annual basis by putting money on deposit. This tends to be more attractive under circumstances where institutional investors are worried about current developments, including the slow rate of Dutch industrial recovery and diminishing prospects once Dutch gas resources start to dwindle in the 1980s.

As in the U.K., the institutions are increasing in importance as market makers and a significant trend over the past quarter has been the sharp rise in institutional liquidity—in an environment where institutions have a tendency to remain fully invested. Moreover, when institutions do invest on the public

PUBLIC ISSUES						
(Fls. m.)						
	Total		Shares		Bonds	
	1974	1975	1974	1975	1974	1975
Government	471.9	1,934.0	—	—	471.9	1,934.0
Bank for Netherlands Municipalities and Netherlands Polder Boards Bank	1,324.7	1,193.3	—	—	1,324.7	1,193.3
Private sector	1,460.5	2,506.8	74.9	371.3	1,385.6	2,135.5
Foreign issuers	10.9	383.7	—	—	10.9	383.7
Total	3,268.0	6,017.8	74.9	371.3	3,193.1	5,646.5

Source: Central Bureau of Statistics.

Source: Central Bureau of Statistics.

market they want to see a quick return plus their money back as soon as possible—which means that the term of loans has been reduced to five-seven years. The result has been that only big companies have come through to the market to raise new money through loans, there have been no rights issues this year, and (judging by previous efforts) the Dutch stock market would have no success in starting a secondary market for private placements.

Does this mean that the Dutch stock market is entirely a scene of unmitigated gloom? In

common with other major stock markets there is not much cause for optimism at the moment, especially since the Dutch market's recovery in 1975 was not quite so vigorous as rallies elsewhere and there was considerable evidence that Dutch institutions were increasingly going for foreign markets (especially the U.S.). Moreover, the decline in dividend payments during 1975 had a negative effect on dividend yields with a consequent shift in emphasis to the bond sector. Inevitably the sharp fall in

turnover has had a bad effect on morale among the brokers and one hears much the same story as in London that the medium-sized firms are finding it increasingly difficult. But open as possible. It is also the Dutch system is different in that the rapidly diversifying banks play a big part in the system and preparations are continuing for a giro-based trading system based on computerisation.

The key to the whole problem is lack of confidence. The Dutch market is falling through lack of business, and the climate is bad for new issues because, with all the problems, companies do not feel able to produce a convincing prospectus. Besides, with interest rates showing no sign of falling there is no incentive to raise money. Indeed, some commentators in Holland say that the need for capital is exaggerated and that Dutch companies were in fairly liquid state towards the end of last year and still have surplus capacity.

The hopeful signs are that despite the current problems the Dutch market is still relatively "free" in that there is no dividend restraint (this was abandoned in 1973) and dividends are expected to improve in the current year. Similarly,

Jubilation

But this still leaves the Dutch stock exchange authorities scratching their heads for answers to the current situation, and there was some jubilation when the recent loan raised by Thyssen-Bornemisza turned out to be a success, with its novel variable interest rate linked to the profit of the company (offering investors at least 9 per cent. and a maximum of 15 per cent.). Another path currently being pursued is the idea of the options exchange which is still in the planning stage. This sounds attractive but it does not raise money for industry and the fear has been expressed that too much institutional activity in a new options market might drain funds away from the share market.

Christopher Hill

Insurers look abroad

WHILE PREMIUM income of the Dutch insurance sector is expanding more or less in line with inflation, the main Dutch companies seem to be uncomfortably aware that the Dutch market alone is insufficient for their activities and that political pressures suggest that their hold on various traditional insurance markets is liable to wane over the next decade. The effect of this seems to be that the Dutch companies, dominated by the six major groups, such as Nationale Nederlanden, Ennia and AMEV, are looking more closely at diversifying their business into broader financial sectors within the Netherlands and into expansion overseas. This is important in the context that the Dutch insurance companies are major providers of capital within the Netherlands itself.

At least this was the impression that Mr. H. Gerritsen, the chairman of the NVBL (the Dutch L.O.A.) conveyed at a recent meeting as he outlined the fact that, while the strong competition in the life field is softened by the tariff agreement between the Big Six, there is a problem of over-capacity in the non-life sector and that industry foresees a limited possibility of expansion in the future. This is partly due to the climate of the increasing Government intervention in the insurance sector, and although the policy is to encourage the insurance industry, the nationalisation of insurance systems rather than the companies the effect is to make insurance companies consider carefully their long-term position.

The threats to business expansion within the insurance industry in Holland come from various directions and revolve around the fact that, at least in the life sector, the Dutch insurance industry has traditionally concerned itself more with straight protection (term assurance especially) rather than majoring on investment contracts. Therefore the Government now looks bleak as the Government proposes (with the co-operation of the unions) to extend the State pension system during the 1980s to the extent that the private sector is likely to become a junior partner, with a resultant fall in premium income. The same goes for the traditionally important private health sector, which is increasingly threatened by the State Health Insurance system which is tending to be all-embracing except for the top layer of the population.

Diminution

So the result is that, since the Dutch companies generally have a long-term diminution in their income from traditional insurance sources, they are spreading into other fields. The extent of this differs from company to company. AMEV represents the biggest departure in that its stated aim is to have one-third of its resources in non-life fields, but the general tendency is to go into related financial fields such as hire purchase and mortgages and to expand overseas. A recent example of this was Nationale Nederlanden's takeover of Merchant Investors from UDT

in the U.K. (it already owned a major Scottish company, Life Association of Scotland). Also Ennia bought Triumph U.K. (now Ennia U.K.) and has invested in Belgian property.

Of course one thing about going into alternative financial fields is that, at least within Holland, there is increasing competition from the commercial and the savings banks especially in the field of mortgages. A traditional activity of the Dutch insurance industry was to provide mortgages in conjunction with life assurance, and it is estimated that the industry still has 25 per cent. of the mortgage market. But competition is now hot from other quarters, and the insurance companies' share of this expanding market is declining in percentage terms. However, some have now established separate mortgage subsidiaries.

Placements

Where the investment policies of Dutch companies are concerned, the pattern is very different from that of the U.K. While the companies aim at good yields with as much flexibility as possible to support their insurance commitments, the main part of portfolios across the board consists of "private placement" loans to industrial and other borrowers. At the end of 1975 this sector amounted to 37 per cent. of the Fls.28.4bn. investments of the entire Dutch insurance industry and is probably greater than that when indirect investments are taken into account. Mortgages were the next most significant category with 25 per cent. of the total, followed by property with 8.33 per cent. Listed bonds and shares were a relatively minor sector, amounting to only 7.8 per cent. of the total, for there never has been a tradition of insurance involvement in the stock market.

However, private placements to industry are reckoned to be on the decline—at least for the moment—for not only has the demand for industrial loans fallen off, but also the insurance companies themselves are less eager to grant loans. The main reason for this is that the current outlook for Dutch industry seems less than encouraging. But in more normal times the private placement market has produced a close relationship between borrower and lender, and although interest rates may be a half a point higher, the costs of handling are lower and the terms are usually longer. Unlike in a public issue the borrower knows that he can get the money from the insurance company, and no approval is needed from the Central Bank which is the case in the official market.

But one significant change in the private placement market this year is that the Dutch municipalities have become increasingly large borrowers, and the Government itself has been showing its hand in this sector. This is the first time that this has ever happened, but there is a large projected Government budget deficit to be covered this year.

Demand for mortgages has also been very high since the percentage of people in Holland who want to own their own house is rapidly increasing. The Dutch were slow to go in for home ownership (having traditionally occupied rented flats) and the proportion of families owning their own homes (38 per cent.) is considerably less than the comparable figures for Germany or Belgium. But the high rate of inflation (around 10 per cent.) seems to have made people more keen on possessing real assets, and there is also less willingness on the part of Dutch institutions to fund residential housing to rent. Residential property has always been the largest part of property portfolios, but the environment for this has been made "a bit less pleasant" due to rent restrictions. With yields too low to be attractive, one Dutch insurance company remarked grimly that even the pension fund for civil servants had said recently that it did not like residential property.

On the other hand, the proportion of total portfolios invested in "commercial property" is slowly increasing.

Where overseas investment is concerned it is difficult to make the split between what the companies are doing with their own money and what they do with their portfolios. Where the former is concerned there is a definite incentive to expand overseas and much expansion has taken place already, but the percentage of overseas investment in the portfolio is still slight and possibly 6 per cent. overall, though the percentage is rising gently. What Dutch insurance companies have to bear in mind is the current risks respective to their own obligations, and this in the past has made Germany the obvious candidate for overseas investment. The situation is more complicated now that the guilders is not as strong as it was, but at least there are no restrictions on capital movement.

C.H.



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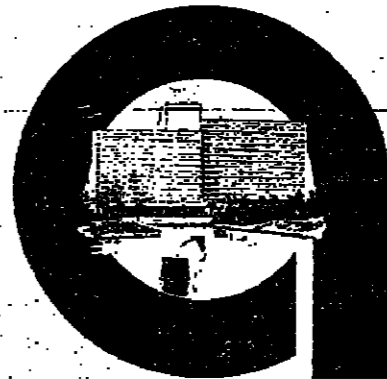
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DUTCH CAPITAL MARKET III

Bank lending remains fairly brisk

THE COMMERCIAL banks reported a more modest rise in generally reported an encouraging growth of earnings and business in the first-half of this year. Despite the comparatively slow pace of economic recovery in Holland and the uncertainties presented by developments in the money and capital markets, the banks are all moderately optimistic about business for the rest of the year.

One of the leading banks said in mid-August that although the interest margin continues to be under pressure, it is expected that the influence of increased business will counter-balance the effect of a slightly reduced interest margin.

The first large bank to announce its half-year results this year, AMRO, saw net profits rise 37 per cent. to Fls.88.8m. with the balance sheet total rising to Fls.46bn. from Fls.42bn. since end-1975. A "satisfactory" earnings growth is forecast for the full year, but the bank added that it does not look as though the strong first-half earnings growth will be maintained, particularly as business in the second-half of 1975 had been much better than in the first-half of the year.

The more foreign-oriented AMRO bank, which obtained at least a third of its 1975 net profits from activities abroad, raised modest 11 per cent.

Details of the first-half performance of Rabobank, the large co-operative banking group, have not yet been released. After the publication of its results in August, AMRO said that the six-month period was characterised by a "rapid expansion" of business. Total lending, which had increased at a moderate rate in the first half, has accelerated in the second half. It said that although a rise in money rates occurred in May, the influence of this rise on the interest margin was temporarily offset by two central bank rate increases in June.

Largest

The largest of the second division banks, NMB, in which the Government has a nearly 30 per cent. interest, saw first half net profits rise 38 per cent. Demand for credit in the period has been "considerable". Ned. Credietbank, in which Chase Manhattan has a large minority interest, said profits were up at least 30 per cent., while Slavenburgs, which has a link with First National Bank of Chicago, said net profits had advanced just over 25 per cent. in the first half of this year. At Mees en Hope bank, now part of the AMRO group, profits were up a further continuation of the upward trend would now clearly

have to come from W. Germany. Holland has always been heavily dependent on its eastern neighbour's economy. The bank attributed the rising interest rates to the central bank's anti-inflation policy and to major efforts to support the guilders against the D-mark.

As far as developments in the banking sector in the past year are concerned, Mees en Hope said in a survey that, following the strong growth in credit volume and the associated high level of interest rates in 1974, the past year saw a return to a more normal situation. Besides the declining interest rates, a slowing down was noted in the volume of short-term credit as a result of the recession and the falling level of stock financing. Use of this facility by the private sector was up by only 6 per cent., which compares with an increase of 25 per cent. in 1974.

Against this demand by industry for longer-term loans continued, a reflection, the bank added, either of the increased use of borrowed funds for financing or more limited opportunity for self-financing. Demand for mortgage loans also remained high in keeping with the increasing trend towards home ownership.

According to the survey, total medium-term credit granted by commercial banks in 1975 increased by as much as 24 per cent. The increasing share of the commercial banks to financing business through longer-term credit, Mees en Hope commented, was an aid to the growth of business. This also had a stabilising effect on the average interest margin. It was time and in a number of activities been developing into com-

mercial banks. But commercial banks themselves have become even more diversified by the acquisition of savings deposits and the granting of mortgages for housing.

For most banks the retail side is becoming increasingly important. However, besides the rising profits trend and business growth — which continued into this year — there have been a number of developments giving the banks cause for some concern. On top of the problems connected with inflation and sagging industrial profits, a problem for the banks in the inflationary period is to be able to step up lending to the domestic corporate sector whose position has deteriorated sharply in the past few years.

One of the biggest Dutch banks last year warned of the problem of the deterioration of the banking system itself, "which could act as a brake on readiness to grant loans in the future." Against the background of the still relatively stiff central bank regulations governing solvency and liquidity which also govern foreign banks here and which are understood to present them with considerable difficulties at times — the problem has been to match the growth of the banks' own resources with the increase in lending.

In its 1975 annual report the Dutch central bank noted that the growth of long-term deposits continued at a high level that year, while large sums were taken up by the issue of bonds and private placements. "To an important degree this involved subordinated loans, which are

regarded as equity under the solvency regulations," the bank said. In addition, shares were issued to improve the banks' capital structure. The amount of long-term loans by the commercial banks rose to Fls.960m. in 1975 from Fls.210m. the year before. The rise of capital and reserves, including subordinated capital, advanced to Fls.1.3bn. (Fls.550m.).

Disliked
Apart from the domestic economic position, in which certain structural tendencies give rise for concern, a number of policies proposed by the current Socialist-dominated coalitions Cabinets are disliked by the commercial banks. The private banks do not welcome that part of the draft Bill for the supervision of the credit sector which provides for more decision-making power to be transferred from the central bank to the Finance Minister. One of the leading banks, ABN, stated earlier this year that since the Government itself was already an interested party in the credit sector via the Postcheque and Giro Service (PCGD) and the State Postal Savings Bank (RPS), and was likely to be even more involved given the proposed merger of these two institutions and their expansion to become a State bank, "impartial supervision appears best guaranteed by the central bank."

Growth
In a recent survey Creditbank said that over the years the growth of the so-called money-creating institutions — together with the central bank, the commercial banks, the agricultural institutions (co-operatives) and the clearing services — has shown spectacular development measured by balance sheet totals. The bank showed that the share of the commercial banks in the total of the money-creating institutions has increased to a greater extent. The agricultural credit institutions (what is Rabo) — managed as a co-operative unions — have already for some time and in a number of activities been developing into com-

mercial banks. But commercial banks themselves have become even more diversified by the acquisition of savings deposits and the granting of mortgages for housing.

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Apart from the domestic economic position, in which certain structural tendencies give rise for concern, a number of policies proposed by the current Socialist-dominated coalitions Cabinets are disliked by the commercial banks. The private banks do not welcome that part of the draft Bill for the supervision of the credit sector which provides for more decision-making power to be transferred from the central bank to the Finance Minister. One of the leading banks, ABN, stated earlier this year that since the Government itself was already an interested party in the credit sector via the Postcheque and Giro Service (PCGD) and the State Postal Savings Bank (RPS), and was likely to be even more involved given the proposed merger of these two institutions and their expansion to become a State bank, "impartial supervision appears best guaranteed by the central bank."

Government proposals for a fully-fledged State retail bank, often referred to as "Postbank", are being fiercely resisted. Finance Minister Dr. Willem Duisenberg apparently feels that the position of the PCGD

and the RPS has been eroded too much as they are unable to match the range of financial services offered by the commercial banks. Here and there the suggestion is also heard that the Minister would like to establish a "counter-vailing force" in the credit sector by creating a state bank in this sector which is dominated by private banks.

In June this year, top executives of the AMRO bank and the RABO bank called the plans "superfluous, disorderly and even damaging." There were also fears of unfair competition and concern was also later expressed at reports that the State bank was unlikely to take on loss-making activities in the retail sector. Other bankers have pointed to what they call lively competition, stepped up by the many foreign banks in Holland.

According to the latest reports from the Hague, the Government may be taking some important initial decisions any time now. In banking circles, the government has already been booking executives from the private banks and the recent concentration movement has made their job somewhat easier.

Although the Dutch banks have been very active recently in assisting domestic companies to expand abroad, they have also expressed worries at other developments they feel are harming the investment climate in Holland for both domestic and foreign enterprises. They point to plans for a number of far-reaching social reforms being pushed through in an economically testing period for Holland.

Michael van Os
Amsterdam Correspondent

CAPITAL MARKET SUPPLY AND DEMAND
(Fls. m.)

NET SUPPLY	1970	1971	1972	1973	1974	1975
Funds and savings banks	6,712	8,630	12,080	11,516	13,205	17,762
of which:						
bonds	383	788	980	876	687	766
bonds and mortgage bonds	426	456	535	671	418	1,145
private loans	4,467	5,638	8,336	7,528	9,375	11,524
mortgage loans	662	684	898	1,371	1,618	2,568
real estate	774	1,066	1,331	1,070	1,187	1,741
Households and industries	962	1,020	1,654	2,943	2,896	3,490
of which:						
bonds	562	217	120	1,520	1,335	831
bonds and mortgage bonds	599	803	1,534	1,423	1,561	2,659
private loans	194	—	—	—	—	—
mortgage loans	5	—	—	—	—	—
Commercial banks	3,707	4,553	7,523	6,862	6,225	7,643
of which:						
bonds	10	62	13	107	66	29
bonds and mortgage bonds	55	545	859	317	65	966
private loans	1,552	2,966	4,408	3,608	3,335	3,248
mortgage loans	2,220	1,404	2,269	2,830	2,889	3,400
NET DEMAND						
Government	1,893	2,213	2,216	1,806	2,436	4,367
of which:						
bonds	679	786	83	104	29	1,327
private loans	1,214	1,467	2,133	1,910	2,407	3,040
Local authorities	1,658	2,610	4,269	2,096	3,872	3,497
of which:						
bonds	632	595	908	531	871	668
private loans	1,026	1,915	3,361	1,475	3,001	2,829
Private sector	8,254	9,332	13,174	13,536	14,128	17,890
of which:						
bonds	171	116	66	57	79	258
bonds and mortgage bonds	780	1,053	1,561	715	1,245	2,182
private loans	3,643	5,004	7,124	7,577	7,970	7,858
mortgage loans	2,886	2,093	3,092	4,117	4,547	5,551
real estate	774	1,066	1,331	1,070	1,187	1,741
Commercial banks	309	332	225	859	563	1,863
of which:						
bonds	38	21	—	102	—	219
bonds and mortgage bonds	326	374	122	586	451	649
private loans	55	63	103	171	112	995

Source: Annual Report 1975 De Nederlandsche Bank NV.

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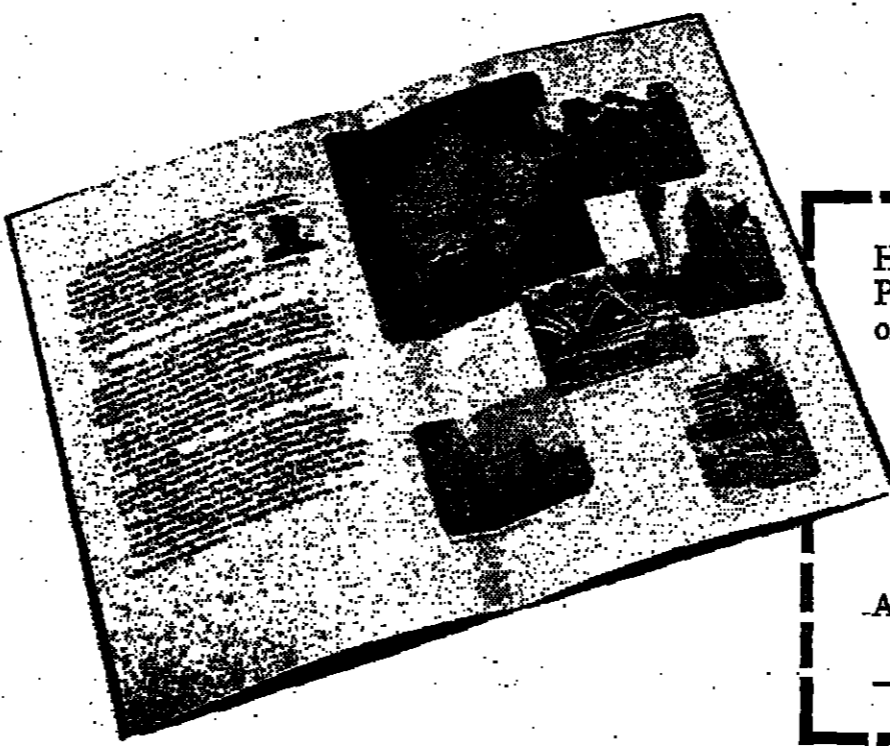
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NMB Financial:

as of 31.12.1975

Balance Sheet

Total:	Dfls. 17,609,899,000
Deposits	16,613,905,000
Loans	366,144,000
Liable Capital	604,947,000

NMB Contactual:

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020-5433184. Telex No. 14216
nmba nl

• Securities Division
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Telephone No. 020-5439111
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DUTCH CAPITAL MARKET IV

Squeeze on the money and bond markets

CAPITAL AND money market developments in recent months have been dominated by uncertainty on the foreign exchanges and the need for the Netherlands central bank to support the guilder. Intervention by the central bank has squeezed money markets, pushing interbank lending rates to levels unseen for several years and depressing both bonds and shares as investors have switched to short-term lending.

The call money rate recently reached 30 to 25 per cent. compared with rates below 1 per cent. in April.

The central bank's fear of inflation, currently running at around an annual 10 per cent., is behind its defence of foreign exchange parities and its refusal to help the money market. It has raised bank rate five times since the end of May to its present level of 7 per cent. Its two other lending rates—promissory note rate and the rate for secured loans, which are of greater importance than bank rate itself—now stand at 8 per cent. compared with 4½ per cent. at the beginning of the year.

The central bank has placed further pressure on the banks and the money market by increasing the penalty rates applying to commercial bank borrowing from the central bank. Some banks have recently been paying an annual rate of more than 20 per cent. for central bank funds taken up in excess of double their normal quotas.

The central bank was unwilling to help out the money market with special advances against securities as it had done between October and February. Funds on loan to banks by means of this facility rose to more than Fls.1bn. at one stage. The special loan facility was in effect a broadening of the type of paper that banks could use as collateral against central bank loans.

Harder

Even before the last bout of currency nerves the bond market had not been flourishing. New issues by borrowers as varied as Akzo, Ennia, Algemeene Bank Nederland and Nederlandse Credietbank have made in all totalling Fls.4.27bn., had in part to be taken up by the underwriters. Conditions Fls.70,000 in the period from four months of 1975. Of the total supplied, 29 per cent. was accounted for by the commercial banks and the co-operative Rabo bank, and 22 per cent. by the mortgage banks. The savings banks, including the State Postal Savings Bank (RPS), accounted for 18 per cent. and so did the life assurance companies together with the pension funds. The average interest rate fell to 8.8 per cent. (9.7 per cent.) in the period, but it has now increased substantially.

In 1975 the growth on the Dutch mortgage market was also substantial. The proportion of owner-homes is put at around 40 per cent. in Holland—rather low compared with many other countries—but the Government has indicated that it wants to push up the percentage to about 65 per cent. by around 1990. This would suggest that there are still sufficient growth possibilities for those companies active in the domestic mortgage sector.

conditions when the issue actually comes to market. Amro Bank's proposed Fls.75m. issue in August was cancelled, while a Fls.50m. issue by Credietbank was still unsuccessful despite a last minute increase in the coupon rate.

Behind the problems faced by some recent issues have been expectations of rising interest rates coupled with a growing awareness of high Government borrowing needs this year. An indication of the sharp increase in interest rates to date is given by the rise of more than a full point in the yield of the three latest Government bonds to 9.6 per cent. at the end of June from 8.4 per cent. at the end of the first 1976 quarter.

The Finance Ministry is confident Holland will meet its record Fls.15.5bn. guilder financing requirement this year (more than double its 1975 requirement of Fls.6bn.) without undue difficulty. It has so far raised Fls.1.2bn. by loan tenders and a further Fls.250m. by a straight issue. This rate of progress is on a par with last year, when total open market fund-

ing was Fls.2.5bn., but the market is clearly becoming edgy at the much greater 1976 requirement.

However, the State can expect a guaranteed Fls.3.8bn. (against Fls.3.4bn. in 1975) from the civil servants' pension fund, which is required to invest most of its funds with the Government. The Finance Ministry is also continuing with placements of treasury bills which remain popular because of their short lives of up to five years.

The Government extended its range of money-raising options in February when it announced it would negotiate medium-term private loans from institutional investors to help finance its deficit. Up to the end of June more than Fls.400m. had been raised in this way. This direct recourse to institutional investors by the authorities did not particularly please the banks, which foresaw a cut in their commission earnings. Cutting out the banks and savings on other costs has meant the Finance Ministry could offer a quarter or a half per cent. better rate of interest on these loans.

A factor working in favour of the Government's efforts to cover its deficit has been the sluggish recovery of the economy. Private borrowers have not been competing to any great extent for funds. The authorities have tried to encourage longer-term lending by increasing the penalties on the early redemption of loans to the State and to local authorities. Redemption continues to be excluded before 10 years, while the penalty on the early redemption of public loans after 10 years has been raised to 3 per cent. from 1½ and after 15 years to 2 per cent. from one.

Check

The central bank opened the public capital market to foreign borrowers last year to increase capital outflows and check the guilder's strength on the foreign exchanges. However, the rise in interest rates and the present weakness of the guilder have deterred foreign borrowers on this market as well as on the Euroguilder market in recent months.

Circumstances have forced the central bank to temper this liberalisation by closing down the private placement market to foreign borrowers in May to check the rise in interest rates.

Fixed interest issues continue to be more attractive than equities as a means of raising funds. Share issues accounted for only Fls.78m. of the Fls.1.133bn. private sector borrowing on the capital market in the first seven months of this year. Thyssen-Bornemisza raised Fls.100m. in July by means of a 25-year profit-linked debenture loan. Within the guaranteed limits of nine and 15 per cent interest will depend on the company's profits. Thyssen-Bornemisza, a private company, said share market conditions were not attractive enough to persuade it to go public yet while this sort of hybrid issue blurs the distinctions between bond and share issues to the advantage of the former.

By a Correspondent

Mortgage and savings banks diversify

THE GROWTH of mortgage loans supplied in Holland continued to rise strongly in the first four months of this year, continuing the trend of last year. But recently demand has tapered off somewhat in line with rising interest rates. The Central Statistics Bureau (CBS) in The Hague has calculated that mortgage loans taken up in the initial four-month period totalled over Fls.5.5bn. in value, representing an increase of at least 70 per cent. on the corresponding period last year.

According to the CBS, for homes alone 49,774 loans were made in all totalling Fls.4.27bn., had in part to be taken up by the underwriters. Conditions Fls.70,000 in the period from four months of 1975. Of the total supplied, 29 per cent. was accounted for by the commercial banks and the co-operative Rabo bank, and 22 per cent. by the mortgage banks. The savings banks, including the State Postal Savings Bank (RPS), accounted for 18 per cent. and so did the life assurance companies together with the pension funds. The average interest rate fell to 8.8 per cent. (9.7 per cent.) in the period, but it has now increased substantially.

In 1975 the growth on the Dutch mortgage market was also substantial. The proportion of owner-homes is put at around 40 per cent. in Holland—rather low compared with many other countries—but the Government has indicated that it wants to push up the percentage to about 65 per cent. by around 1990. This would suggest that there are still sufficient growth possibilities for those companies active in the domestic mortgage sector.

Although the situation changed somewhat during more recent months, the start of this year was characterised by growing confidence in economic recovery. And there had been some "catching up" by those that had postponed house purchases because of the oil crisis and the economic uncertainties. A continuing high inflation also had its impact on the demand for home loans.

According to CBS information, the total of new mortgages rose to Fls.32bn., an increase of nearly 27 per cent. on 1974. The greatest increase was accounted for by the savings banks generally and the State RPS. That rise was put at 63 per cent., while the rise achieved by the mortgage banks and building associations amounted to 39 per cent. Holland's biggest mortgage bank is Westland-Utrecht, with an estimated market share of 9.3 per cent. in 1975, followed by Friesland-Groningsche (4.3 per cent.).

In a review of the mortgage bank sector, Nederlandsche Middenstandsbank (NMB), the large Dutch bank in which the Government has a 30 per cent. interest, noted that the strong growth of the savings banks, including the RPS, could be explained by the fact that the last mentioned institution—which started making home loans at the end of 1973—had achieved

a very substantial increase, particularly in 1975. Considering the increase in loans granted only for private houses, etc. it appears that the mortgage banks can still handle the competition.

The mortgage banks nearly doubled their new loans compared with the preceding year. Ordinary loans on homes by the mortgage banks jointly totalled about Fls.2.8bn. in 1975, against Fls.1.4bn. the year before. But the figure for the RPS was given as about Fls.700m. that year, compared with Fls.270m. in 1974, "showing that the RPS is moving up strongly as a mortgage institution."

The Dutch mortgage banks have become increasingly aggressive in their campaigns and are having success in the consumer market. They are also active in promoting investment in mortgage bonds to keep their so-called passive financing—the attraction of funds to finance the loans supplied to keep up with the growth of mortgages.

Besides supplying mortgages, institutions such as Westland-Utrecht and Friesland-Groningsche have also become increasingly active in the property sector, covering the development, the sale and management of property. The NMB has noted in its review that "that services they can give to their customers in an attempt to maintain their competitive edge."

term the growth of the mortgage banks can exceed the in-Amsterdam region. Spaarbank

Voor de Stad Amsterdam noted in its 1975 annual report that it was developing from traditional savings bank "into rise to one-third to Fls.4.1bn., fully-fledged regional bank."

The fact that its operating profit showed a significant drop in 1974 served to accelerate recently for increased activity at the plans and underlining the track. It operated 111 offices, in which five were mobile, at Antwerp a holding company in end of 1975.

This savings bank is known the two companies are combined. Late in August, the Dutch property journal—*Vastgoedmarkt*—reported that Westland-Utrecht was currently considering whether at some time the company should start its balance sheet total rise from Fls.1.87bn. to Fls.2.1bn. at the end of 1975, under the influence of the major inflow of savings money, is also stepping its activity in the person loans sector. It offers insurance activity to its clients, accept holiday bookings and is also cautiously investigating whether its incidental activity in the share market should be expanded.

Although the Dutch market for financial services is expanding, it is clear that with many institutions entering the market, including the mortgage banks and the savings bank and with the possible creation of a State bank, intense competition seems very likely in the future.

Michael van Os

Lloyds Bank Group in the Netherlands.

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The Marketing Scene

Water turns on advertising tap

BY ANTONY THORNCROFT

LAST week the National Water Council took large advertising spaces in all the national newspapers to exhort the public to go easy on water consumption. This week it repeated the exercise. All told the national advertising campaign has cost over £120,000, and more publicity is planned, perhaps using television commercials.

This sudden spate of advertising is a wonderful belated reward for the agency McCann Erickson, which is handling the campaign, and particularly for vice-chairman Barry Day. McCann's association with water began before the rationalisation of the water industry and the formation of the National Water Council in the spring of 1974.

In one of those brainstorming sessions at which agencies try to create new products for new clients, Day suggested that water was an overlooked and taken-for-granted national resource. The agency decided to get water conscious, and the National Water Council was approached with ideas for advertising campaigns even before it had got to grips with its new role, a classic example of an idea chasing a client.

As a result McCann's got appointed as stand-by agency in case the National Water Council ever faced a publicity crisis. At the same time the agency was well placed to pick up the advertising account for the Southern Water Authority, one of the ten that now looks after the regional needs, with the Council holding a watching brief.

Now two years and more later the National Water Council is a big client. The advertisements are appearing apparently late in the day not because the Council has been dragging its feet but because the water shortages have been very regional, and a national campaign was regarded as wasteful. The areas with



An advertisement seeking a client. This was one of the ideas developed by McCann Erickson almost three years ago before it approached the National Water Council and suggested it needed an advertising agency.

problems, such as South Wales and Wessex, have been busy with water saving publicity for some time, using leaflets, T-shirts, and stickers.

The cost of the advertising is carried not by the Government but by rate payers, but so far the sums invested are insignificant compared with the turnover of the regional boards, which can have figures of approaching £100m a year. The water saving campaign may not be in the multi-million pound class of the "Save It" energy conservation exercise, but these are still early days.

At least it provides more evidence that the big advertisers of the future are likely to be in the public sector—Government departments, local authorities, nationalised industries—rather than the hard pressed packaged goods companies, and it is the shrewd national campaign that is alive to the waste.

WHEN rummaging in my garage recently I found a page from the February 12, 1971 issue of Campaign which contained the ranking of the top 50 agencies according to MEAL for the year 1970. It made fascinating reading, especially when compared to the MEAL ranking for 1975.

Fascinating not so much for the number of agencies that were there then and aren't now, and there are at least eight of those (including the then number six, Saatchi and Saatchi, but for the ones not included then and very much so now.

I'm referring to agencies like Kirkwood (number 20 last year), Allen Brady and Marsh (number 21), French Gold Abbott (number 17), and most spectacularly, Saatchi and Saatchi, last year's number five. Three other of particular interest are Collett Dickinson Pearce (then number 11 and now in eighth place), Davidson Pearce, Berry and Scott (then number 12 and now at 12) and Boase, Massimi Pollitt (then a lowly 30 on the list and now in at 15). What have these agencies got going for them that others haven't?

Others like Dorland and Lintas once high in the golden first dozen are now well out. And indeed, Young and Rubicam, Ogilvy, Bates and such have stayed in among the biggies, but with growth rates nowhere near as impressive. Even the mighty J. Walter Thompson, last year's number one and still number one, is rumoured to have gone through a nine month period not so long ago without gaining any significant outside new business. If you have lots of billing to start with, you're always going to be putting on some from existing clients. "The

best kind of new business," the managing directors always insist. Also the easiest.

Anyway, consider this. What the seven agencies have in common is that they are young, bright and British. There is always one glaring exception to these kinds of generalisations, and this time the exception is McCann-Erickson. American owned, big in 1970 at tenth place and even bigger now, at number three.

But to get back to my hypothesis: First, youth. Taken as a whole few of these agencies are older than ten years, and if you take their leading personnel (which after all is all an agency is, people) the average age of the Board of Kirkwood is 35, of Allen Brady 36, of Saatchi before the Compton merger 31, of BMP 37 and so on.

It used to be that youth was equated with inexperience; this has bothered clients who have moved to these agencies and this is the important thing. Many are blue chip clients moving their accounts from the older, larger, therefore presumably, more experienced agencies.

Look at the last two years: some of the accounts worth £300,000 or more that moved to Collett Dickinson were Parker Pens from JWT, House of Seagram from Ted Bates, Clark shoes from Grey, Davidson Pearce from Bates, Meat Promotion from McCann-Erickson; to Boase Massimi were Unigate cheese from Young and Rubicam, Quaker Oats from Wasey; to French Gold, Ford trucks from JWT, Watney Mann and Ben Truman from Wasey; to Kirkwood Allied Breweries Double Diamond, and



Lawrence Pratt

John Player Special, both from Y and R, and Legal and General from Ogilvy; to Saatchi, British Leyland from Bates and Leo Burnett and Dorland.

This list is far from complete. And, of course, some would want to interrupt to point out that there have been clients doing the exact reverse, that is, big accounts going back to the big league. But I wonder... The two that come immediately to mind, Ford Cars and Max Factor were actually resigned by, respectively, Collett and BMP. The second point: they are

bright. They have produced advertising campaigns that, begging Heineken's pardon, refreshed the audience in parts that other campaigns missed. Agencies who never win any awards comfort themselves and their clients by maintaining loudly and steadfastly that advertising awards are not important, and who know, maybe they are not, except that I would contend that agencies who constantly win the tough, respected awards as opposed to the magazine sponsored ones, have much less trouble in attracting really talented creative people.

If you look in the last two years of the Design and Art Directors show, the agencies that have won the majority of awards are again from this group. BMP and Collett in particular. This sort of recognised excellence does not seem to go unrewarded.

And, thirdly, they are British in origin. There would appear to be a return to the home market by marketing departments. Famous, well-established American agencies that set the trends for creativity in the early 60s have been noticeable more for losses than for gains over the past months.

At this year's Cannes Festival, it was the British and not the Yanks who had a field day and carried home the prizes. Because an American this may have impressed me unduly. For my part, I've only looked at the figures, pondered what should be the growth rates, and come to the conclusion that while the top ten 1-day is still pretty much the same club it was five, even ten years ago, the top 20 is not.

● **TIME-LIFE** International has appointed Vogt and Gliddon to handle the advertising and circulation promotion in the U.K. for Time Magazine.

● **THE INDEPENDENT** Local Radio revenue for July was £1,315,718, which brings the total for the seven months from January to July 1976 to £7,607,688.

● **CHIEFTAIN**, a recently formed unit trust company, has appointed Peter Mead and Partners to handle its advertising. The first campaign breaks on September 4 in the national Press to launch Chieftain High Income Trust.

● A new advertiser for television is Auglaze, a network of 300 manufacturers who install replacement doors and windows. A £70,000 six-week test campaign starts next week in the Thames and Harlech regions, and is direct response. The agency is Contract.

● **DENNIS CROMWELL** has joined James Garrett and Partners, TV commercials makers, as Controller. Mr. Cromwell was previously managing director of N. Lee Lacy Associates' London company.

● **SMITHS FOOD** Group is launching a £250,000 campaign for its Salt 'N' Shake crisps. For the first time a countryside poster campaign will be used to promote Smiths Crisps, and this will be backed by heavy advertising in the trade press.

● **LEGAL** and General is launching a new £200,000 autumn campaign featuring a savings plan—Cash builder. Television will be the prime medium, and The Kirkwood Company handles the account.

ADVERTISING'S HISTORY

Funding the past

BY JUNE FIELD

THE £50,000 appeal for funds by the newly formed History of Advertising Trust has not yet got off the ground. The campaign to raise money was launched at the Advertising Association's Conference last month. But we were not exactly stampeded with offers. On a spot check of his extraordinary assemblage, one is reminded of the many advertising

Albert Museum early this year. With his collection of over 100,000 items (original advertisements, posters, showcards etc.), dating from the mid-1800s to the present day, he already has more than enough material to start a museum of his own.



Advertising give-aways are nothing new. Cadbury's promotion c1910 from Robert Opie's collection.

"We feel the figure is quite modest. It only needs 500 of the top advertisers, agencies, media and suppliers to give the Trust a good start," says Dr. John Thompson, who is providing grant and favour offices at 41 Berkeley Square, W.1.

The Trust badly needs some cash in the kitty, because next month it will be announcing the appointment of a research assistant — a tremendous job which means getting down the nitty-gritty of producing a basic first history of advertising, organising an exhibition, providing a catalogue and index of significant material, as well as putting together a central archive.

The Times archivist Gordon Phillips is acting as hon. archivist, and will organise storage for any material that is acquired. Jimmy Williams, former director general of the Advertising Association, is the Trust's chairman, and to handle money and administration the Trust is being set up as a company limited by guarantee, and has applied to be registered as a charity.

The main object of the venture is not just to indulge in the current nostalgia for collecting old advertisements, although naturally they play a major part and the Trust will be grateful for any material. The intention is to go much deeper, tracing the reasoning and motivation behind a particular campaign.

The idea is to really find out about the influences that shaped the development of advertising as a business and marketing tool," points out committee member Robert J. Opie.

"It continually amazes me that at the moment one vast area of our culture is being lost. The art of advertising, the distribution of goods, goes virtually unrecorded and uncommemorated, and in consequence is largely open to misconception. Particularly when it is through industry that our wealth is generated. There is no place in this country that tells the story of industrial enterprise."

A marketing man, 23-year-old Opie was responsible for the extremely successful Pack Age exhibition at the Victoria and

slogans of the past that have become conversational currency — prevents that sinking feeling. "Guinness is good for you," et al, while Sunlight soap was one of the first washday brands to be advertised nationally. Drawn around 1900 by John Hassall, the small coloured cards were inserted into magazines before it was possible to directly print colour ads. A homely body reading a broadsheet advertising cheap fares to Cannes, Nice and Biarritz is asking: "Why Go South For Sunlight When You Can Have It At Home?" Another gimmick in 1907 was a set of three postcards showing a young man delightedly discovering a strange, securely tied-up parcel which on the last sequence turns out to be a Peak Frean's Biscuit Box.

Free gifts have been traced to the beginning of Victoria's reign. An engraving of John Milton was given away by the Milton Press. In 1910 Cadbury's gave a cocoa jug and whisk with coupons taken from its tins and packets. Another invaluable record that Opie has is an old guard book of Benson's which gives the background to various advertising campaigns, such as the name of the artists and the printers break-down of costs and so on.

Opie has his own personal ideas about the effects of running a museum. "You need say £30,000 for a house in South London to keep the things in, and £20,000 a year to keep it going, which would include a £5,000 salary for someone to look after it."

Top U.S. spenders

THE hundred biggest U.S. advertisers increased their spending by 8.7 per cent. last year to a record \$4.6bn, according to the annual survey in Advertising Age. Seventy-four of the companies registered rises, suggesting that 1975 was a time of improving confidence.

Once again Procter and Gamble was the top advertiser, spending \$35m. more at \$360m. Then came General Motors and Sears. Roebuck, who both invested

\$225m. in advertising followed by General Foods with \$203m. A General Mills registered the second largest advertising rise—\$213m. to \$249m.

● **J. WALTER THOMPSON** in New York has gained one of the biggest single American advertising accounts — the \$25m. budget of Burger King. The Miami-based fast food company. The business was with BDDG.

Fewer TV minutes

FOOTE Cone Belding is another agency to come out publicly in opposition to the policy of certain TV contractors to transmit fewer advertising minutes rather than sell time at the "market" price.

Media planning director Simon Lloyd points out that while ITV audiences during the Olympics, and in August, were better than expected there has been a drop of 30 per cent. in the number of commercial minutes transmitted.

The pattern is not uniform. Some contractors, Thames and LWE, Southern, Anglia, Westward and Ulster, are trying to sell all their available time, while others, notably ATV,

Granada, Trident, Stags, HTV and Border, were prepared to transmit more than 30 per cent. less advertising minutes during the Olympics than in the preceding year.

Agencies and advertisers want demand to determine the price of advertising time; some ITV companies prefer to go out light rather than discount on their fixed charges. Lloyd advocates that advertisers should look at alternative media, especially women's magazines whose circulation is rising again, or else place advertising with the contractors that give the best value and stop planning budgets on the basis of "equal weight" across all the regions, which benefits the hard liners.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOTERS

SAFETY Protects the power line worker

THERE IS a constant, and considerable, danger confronting power workers who have to work on the "supergrid" power lines that carry 400,000 volts.

To provide for maximum safety of power workers, the International Wool Secretariat (Wool House, Carlton Gardens, London, SW1, Tel. 01-930 7300) has been collaborating with the Central Electricity Generating Board on the development of a new protective suit that will offer complete protection to the wearer.

Although very high voltages are involved, it is unlikely that there can be a danger of them being fatal in present operating conditions, but without a conductive suit the worker's own body carries electric currents associated with capacitance, corona, charge and discharge and leakage. Such hazards can cause discomfort and pain and could well lead to secondary accidents.

The new suit, which is a combination of wool and steel, has a resistance of over 100,000 ohms, while the human body has only about 15 ohms. This is some measure of the difference between suit and human body and

the relative protection offered. Although a number of other types of conductive suits have been developed with different materials, the new development, which contains 25 per cent. of stainless steel fibre intimately blended with wool, is felt to provide maximum protection without loss of wear comfort.

In user trials it has been found that in operating conditions the suit affords excellent protection and is lighter and much more comfortable than the cotton mesh suits which until now have been used by the CEBG. The design of the garment is a one-piece boiler suit with glove and boot covers and a protective hood of the same material. It has a wire-mesh "tail" that is attached to the belt and is used to provide a bonding lead to the "hot line."

The cloth is a 2 by 2 (will gaberdine of about 215 g/sq.m). This is woven from a wool yarn which is intimately blended with 25 per cent. of 12 micron diameter stainless steel, and produced in the normal way. Additional properties are available in the cloth which can, if necessary, be given a shower-proof treatment and can be treated to give full machine washability. Although inherently flame-resistant, the cloth can, if necessary, be given the JWS Zipro flame-proofing treatment.

METALWORKING Wet clutch for power presses

BEING INTRODUCED at Mach 76 is a wet clutch for power presses in the 300 to 1600 tons range. Unlike conventional air friction clutches, the internal components of a wet clutch are continuously running in transmission oil, resulting in oil films being present just prior to the friction discs becoming fully engaged—this is claimed to give longer clutch life by reducing wear.

From E. M. Bliss (England), City Road, Derby DE1 3RF (0532 45801), the clutch is described as a compact, low inertia unit comprising clutch, brake, flywheel, internal flywheel brake, quill mounting and tapered roller bearings, providing versatile clutch mounting. A range of interchangeable flywheel sizes is available to suit press energy requirements.

The company, a Gulf and Western subsidiary, says a high intermittent stroke rate has been achieved by water cooling the transmission oil. Another unit has been designed to provide power up to four hours for mini-computers, peripherals and terminals. Full rated output is 500 Watts, but as in the case of the Powersafe it will maintain a supply proportionally longer at lower powers. Both units are automatically maintained on full charge when not in use and they switch on automatically in the event of mains failure.

POWER No need to stop work

IT IS just as essential that computers and communications systems are able to continue operating when there is a power cut as it is for lighting and security installations to function without interruption.

Standby electrical supplies are available from many sources and a company which reckons it has units for their size as good as any is Randall's Northern Electronics which is now marketing a small portable unit called Powersafe claimed to provide 500 Watts for three-and-a-half hours. It can be used for office lighting and machines, security and communication systems.

NAVIGATION Cuts costs for private pilots

TWO radio-based navigational aids widely available to all pilots are the VEF beacon (VOR) and, usually co-sited with it, distance measuring equipment (DME). The pilot obtains a bearing on the beacon and his distance to it. Alternatively he might use a fix derived from two VOR beacons some distance apart.

In any event his next problem is to convert the information read from the dials to his actual position on the map—a tricky, single-handed problem while continuing to control the aircraft. Large commercial aircraft have on board equipment for this; the

TRANSPORT Controllers for traffic

A YEAR AGO Philips launched a microprocessor suitable for roadside installation, capable of solving a variety of intricate traffic control problems ranging from complex intersections to area control including "green waves". For simple intersections an electronic controller was available, not equipped with a built-in processor, but that could be brought into a co-ordinated higher-level system along with other controllers.

The gap between the two systems has been filled with a more complex intersection controller, that uses a microprocessor. Designated as type 86 AD 175, it has evolved from a system developed for Australian conditions by Philips' System Engineering Centre in Sydney, represented by many hundreds of units in service in New South Wales. If required, co-ordination of the new controllers can be effected by cableless linking, using electronic tracking clocks of high accuracy.

Operation of the new controller is based on a number of stages, a stage being a combination of non-conflicting traffic streams. The basic number of stages available is 7, and in each stage individual signal groups can be altered to suit changing circumstances.

The number of signal groups available for allocation to stages is 15 for vehicular streams and four for pedestrian streams. This is a long way from the six-signal group capacity of the simple intersection controller. A switch to the next stage need not necessarily be accompanied by an aspect change of a particular signal group and the green phase of a signal group may extend into the subsequent demanded stage.

The length of the all-red clearance period can be made dependent on a specific stage-to-stage transition. Within a stage some conditional behaviour may be built in, for example, pedestrian green on demand only (pedicalls), so that the change to the next stage demanded is not delayed unnecessarily.

Philips Telecommunications Industries, POB 32, Hilversum 1301, The Netherlands.

COMPONENTS 'Instant' pipework

PIPELINE material, ideally suited for emergency or temporary use for distribution of water handling effluents, etc., is brought to the market by L.C.A. Pipelines.

The system is lightweight—approximately one-third that of steel—and is manufactured from flame-wound fibreglass and epoxy resin to give high strength and an in-built resistance to corrosion.

Referred to as "Kwiky" it incorporates a unique quick connect joint, which will withstand loading and, therefore, eliminate the need for anchor blocks. This joint is fully recoverable, thus enabling the line to be quickly disconnected and stored for future use.

AVIATION Quick test of complex engines

COMPUTERISED equipment which will enable jet engines to be tested more efficiently after major repair or overhaul, has been ordered by the Ministry of Defence (Procurement Executive) from Marconi-Elliott Avionic Systems.

Called the Automatic Data Processing (ADP) unit it is being developed and produced by the company's Powerplant Systems Division at Rochester, Kent. It will be delivered to RAF Coltishall for use in the ground test facility for Adour engines, which power the Jaguar aircraft in RAF squadron service.

With the equipment, an operator, testing an engine from a control room adjacent to the test bed, will be able to proceed rapidly through the test schedule. He will do this by carrying out instructions on a video screen, the computer on a desk top electronic display. The need for lengthy manual calculations between tests, to establish that each is satisfactory before proceeding, will be eliminated by the use of the system. This will shorten testing time considerably, saving fuel and costly wear.

The ADP does this by gathering data from the engine automatically, processing it in the computer and displaying test results continuously. The computer also constantly checks that engine parameters (functions of temperature, pressure and speed) always remain within safe limits. Should these be exceeded, the operator is clearly warned, enabling him to take immediate action to avoid engine damage.

COMPUTING Agreement in systems projects

AN AGREEMENT has been signed between P-E Management Systems, part of the P-E Consulting Group, and Quadrant Software, under the terms of which the expertise and services of both companies will be made available more effectively to computer users throughout the U.K.

P-E and Quadrant have been working closely together on a number of assignments over the past 12 months. P-E, whose systems and programming division, is based at Egham, Surrey, have called upon Quadrant's assistance on the terms of assignment; Quadrant, with offices in Altrincham, Manchester, have called upon P-E's assistance on Southern based assignments.

Due to the success of this association, attributable largely to the similar services offered by the two companies and the particular emphasis of both on high quality standards, a formalised agreement has now been signed to enable a wider range of services and software products to become available throughout the U.K.

P-E on Egham 4411. Quadrant on 061-928 8302.

MAGNETIC heads for use with credit and cheque card systems have been added to the range designed for the data collection market by Magnetic Components (data products division). The new heads provide three "write" and three "read" tracks (in the write "wide" read "narrow" mode) to meet the ISO, IATA and ASA specifications for dealing with card information. Magnetic Components says its new design enables original equipment manufacturers to supply standard units to meet any card information format demanded by their customers. Magnetic is at Bridge Way, Chertsey, Surrey, 01-874 4140.

Economic TEST MARKETING

In these times, the value of Westminster Press recognised Test Towns is even more apparent for their low cost measurement of new product, its packaging and price acceptability.

Many of the biggest companies in Britain use our Test Towns as the "first step" before TV launching.

Westminster Press Test Towns offer typically to national profile and geographical isolation. The daily newspaper published in the town is your high market penetration.

Call Peter Clifford on 01-353 1630 for literature.

TEST TOWNS

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(Established 1861)

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Telephone Day & Night: 01-463 8000. Telegrams: Finantime, London
Telex: 885341/2, 885397

For Share Index and Business News Summary Ring: 01-246 8026

London: George House, George Road, London EC4A 3DF
221-44 9933
Dunfermline: 8 Pitt Street, Dunfermline, Fife KY11 1JL
Edinburgh: 18 Hanover St., Edinburgh 1, Scotland
Leeds: 100 Park Road, Leeds 1, West Yorkshire LS1 5JL
Manchester: 100 Market Street, Manchester M1 1PL
Paris: 24 Rue de la Harpe, Paris 5, France 75005
Rome: 100 Via Veneto, Rome 00187, Italy
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THURSDAY SEPTEMBER 2, 1976

Unemployment rumblings

THE GROSS TOTAL of those unemployed in the U.K. passed 1.5m, for the first time in mid-August, and this was bound to be the main topic of discussion at yesterday's meeting between TUC leaders and the Prime Minister. This is by no means the first time, of course, that the sharp rise in unemployment has been discussed between the TUC and the Government. There is a spectrum of remedies proposed by different unions, ranging from outright import restrictions and rationing of consumer demand at one end to action against dumping and selective intervention to increase training facilities and case marginal unemployment at the other. The Government has so far stuck firmly to the latter end of the scale, and in doing so has enjoyed at least the tacit consent of a majority of the General Council.

But it clearly becomes more difficult both for the Government and for those union leaders who have so far supported it to stick to the same line as unemployment continues to rise. The official view is that the figure is now at or near its peak and should begin to fall before the end of the year; but the cuts that are being made in public expenditure, and the loss of jobs in the public sector which these will cause, have naturally caused a loud outcry from leaders of the unions most likely to be affected. The issue will be raised at next week's annual Congress of the TUC without doubt.

Spending cuts

That, perhaps, is why the latest Government circular to local authorities about expenditure cuts both warns them to reduce their present level of current expenditure and requests them to avoid redundancies as far as possible. This gesture is unlikely to satisfy, for example, the National and Local Government Officers' Association which, together with the National Union of Public Employees, has been the most vociferous opponent of the spending cuts. NALGO, in fact, has put down an amendment to be debated next week which notes with alarm the loss of jobs involved, calls for expansionary measures to bring about the TUC target (more ambitious than the Government's) of unemployment down to 600,000 by 1978, and suggests that present

Government policies can only lead to further sterling crises and still higher unemployment. It is likely enough that this and other motions openly hostile to Government policy will be composed into one and then defeated by the big battalions, on the grounds that the TUC must continue to support the Labour Government. It should not be lost sight of, after all, that a policy which aims at cutting unnecessary expenditure in the public sector for the sake of concentrating on the expansion of manufacturing industry may be unpopular with public sector unions but quite acceptable to those whose members are concentrated in industry. Even if the composite motion takes a form which the larger unions feel able to support, it is unlikely to affect much the general support of the TUC for Government policy.

Seasonal rise

It may well be possible, after all, for the Government to go further in the direction it has been travelling so far without introducing general import control or rationing. The unemployment situation in particular industries can be watched even more closely, with the unions as well as the employers concerned perhaps playing a larger part in initiating investigation. There may be scope for still more selective measures to save jobs at relatively low cost to the Exchequer—though we may be close to the point where help aimed at groups which have suffered particularly badly (school-leavers and women, for example) can be said to be at the expense of the adult male unemployed, with whom the TUC is predominantly concerned in practice. Even if it were not sensible for the Government in any case to do whatever can be done without sinking its own overall policy to ease the burden of unemployment and keep the TUC on its side, the fact is that, even if the trend of unemployment is now close to its peak, the crude figure will continue to rise for purely seasonal reasons and the pressure to change course may become intense by the end of the year. The timing of the next loan from the International Monetary Fund, with no doubt tough but useful conditions, will be a matter of internal as well as external diplomacy.

India pays a heavy political price

IT IS IMPOSSIBLE not to regret, on grounds of principle, the changes to the Indian constitution which are now going into effect in New Delhi. For many years Indians boasted, with some justice, of the liberalism of their parliamentary arrangements, of the independence of their judiciary, of the freedom of their press and of their intellectuals, in all of which respects India appeared to be set apart from most of the rest of the developing world. These elements of democratic liberalism were sharply curtailed by the state of emergency declared by Mrs. Gandhi a year ago, and the process will be carried still further by the new amendments to the constitution.

Censorship

The authority and independence of the courts will be more circumscribed in future, especially on questions affecting the constitution itself. The president will not merely be obliged to fall in with the wishes of the prime minister, but will be empowered to make any additional changes to the constitution that the authorities may deem desirable, without recourse to parliament. Strikes will be forbidden in the public services. And censorship, already one of the most notable features of Mrs. Gandhi's emergency régime will be tightened up; indeed, reporting on yesterday's constitutional debate was itself censored. The net effect of the changes will be formally to concentrate still more power in the hands of Mrs. Gandhi, and strengthen her hand in controlling or suppressing political opposition.

Does it matter? There are those who would argue that parliamentary democracy before the emergency was a corrupt game played by the privileged few; that it failed to provide any of the answers to India's

pressing economic and social problems, and was bound to fail in a country with so much poverty and so much illiteracy; and that freedom of politics and of the press is marginal beside the central question: can Mrs. Gandhi do better in tackling India's economic problems? This is not by any means the only plausible analysis of the state of affairs leading up to the emergency. But in the absence of any prospect of a return to liberalism, it is a useful and stern test, on her own terms, of the Gandhi régime.

Favourable

By this test, the initial effects of the emergency appear to have been favourable. Petty corruption and bureaucratic inefficiency were sharply reduced, at least in New Delhi. The rate of inflation was dramatically slowed down. The government was able to claim a rapid increase in industrial output. And as it happened, a satisfactory monsoon produced an excellent grain harvest.

At the time of the Aid India Consortium meeting earlier this year, the World Bank passed a very flattering judgment on the recent performance of the Indian economy. Yet it is not certain that this performance is entirely due to Mrs. Gandhi's measures, still less that it will be durable. Quite apart from the harvest, which was due to the weather, the fight against inflation was started in the pre-emergency budget, and there have been recent signs of a new acceleration in prices. Tax concessions in this year's budget may stimulate activity in the private sector, but the 31 per cent. increase in public sector investment is clearly a calculated risk. Mrs. Gandhi has been lucky as well as successful in the political price which has been and continues to be paid is a heavy one.

As Dr. Kissinger continues his shuttle diplomacy with Mr. Vorster, Bridget Bloom looks at the issues involved in bringing peace to Southern Africa

Southern Africa—a formidable task for the flying diplomat

DR. KISSINGER'S new interest in Africa is beginning to involve him in the sort of shuttle diplomacy for which he became renowned in the Middle East. The Secretary of State arrives in London for his second meeting in under three months with South Africa's Prime Minister, Mr. Vorster. On Monday, he is back in London for talks with Mr. Callaghan. The U.S. aircraft on standby may well then take him to Africa itself, for the second time in under five months.

From his public pronouncements so far, it is clear what the Secretary is trying to do. In his latest speech on Africa, this Tuesday, he told a Black American audience that Africa "is one of the compelling concerns of our time." Africa was an area of conflict, "of young African students killed in riots, of guerrilla raids or refugee camps attacked in reprisals. As long as these conflicts fester, Africans of all races will be caught up in a widening and escalating cycle of violence. Until these wars are ended, Africa faces a future of danger, anguish and growing risks of foreign intervention." This, Dr. Kissinger said, was why he was meeting Mr. Vorster again "in the next step in an intensive diplomatic effort ushered in by my visit to Africa in April."

Since that journey, when he visited eight African countries, including the key "frontline" states in southern Africa, there has been a good deal of speculation that Dr. Kissinger has a grand plan to try to bring peace to the southern tip of the continent. The reality is probably that, though he has certain goals fixed in his mind, and a range of specific if only potential solutions, there is as yet no overall plan. Much as in the Middle East, he hopes that a workable overall plan will evolve out of his persistent and very particular brand of diplomacy.

Dr. Kissinger has come late to Africa. Had he been able to see the dangers to peace ahead of, instead of only during the Angolan war earlier this year, his efforts might now have a greater chance of success. But even if seasoned observers of Africa may take his claims to success so far with a pinch of salt, it would be foolish to deny that the active interest of the United States in the area is an important new and possibly positively encouraging factor.

The U.S. Secretary of State, like British Ministers and Black African Presidents, defines the three major issues as Rhodesia, Namibia and South Africa, recognising the first two as essentially colonial problems, demanding the withdrawal of the white "colonial-type" government (in the case of Rhodesia) and of the colonial power (in Namibia). South Africa is recognised by all as a problem of a different—much more complex—order, stemming essentially from the long settlement of whites there. It is also to be treated differently for a pragmatic reason: its help is crucial if peaceful solutions are to be found in Rhodesia and Namibia.

On Tuesday in his Philadelphia speech, Dr. Kissinger described Rhodesia as the "most immediately dangerous," and he endorsed once again the policy expressed by Mr. Callaghan on March 22 that the only solution for Rhodesia is Majority Rule within a period of 18 months to two years. No doubt Rhodesia will be top of the agenda when Dr. Kissinger meets Mr. Tony Crosland, the Foreign Secretary to-morrow, and again in his Monday meeting with the Prime Minister. But does he, or do the Americans and British between them, have a concrete plan for Rhodesia?

In outline, the answer is yes. The aim is to get Rhodesia's Whites to accept majority rule and in subsequent negotiations to try to guarantee their future in a Black-ruled country. There are enormous difficulties, however, not the least of which is to find a body of Whites who will accept majority rule. Mr. Smith, Rhodesia's Prime Minister, shows little sign of doing so, and it seems that both Washington and Whitehall have accepted that there will have to be a major crack in the monolithic ruling Rhodesia Front Party. Such a crack, which some observers see signs of already, could well produce a government even further to the right of Mr. Smith. But this might then rapidly throw up Whites prepared to accept the inevitability of Black rule. (One possible result is that the Rhodesian armed forces will ultimately recognise that they cannot win and will stage a coup—much as did Spínola in

Concrete plan

Portugal—against the civilian government.) But even if Washington or London wanted actively to encourage such developments, their lack of direct contact or leverage in Rhodesia would make it difficult. This is where South Africa is of vital importance. Dr. Kissinger—and Mr. Callaghan—would like South Africa to stop arms supplies to Rhodesia and make it extremely difficult for Rhodesia—now virtually dependent on South African railways and ports—to trade with the outside world. Knowing that South Africa has set its face against boycotts of any kind, they know that such pressure could only be applied covertly by Mr. Vorster. They believe that something may already have been done; they no doubt hope that more will be achieved following this week-end's meeting in Zurich.

But even if the Whites were to crack as a result of diplomatic pressure, what then? There seem to be three key points in the strategy, all fraught with problems. If the pressures to be applied by South Africa represent the stick, the carrot would be financial guarantees to persuade the Whites to stay after Black rule. There is a bone of contention here with the African states, whose leverage on the Rhodesian and Namibian Black nationalists is quite as vital as South Africa's on the Whites. President Nyerere of Tanzania, for example, wants incentives for those Whites who oppose Black rule (presumably the majority) to leave. There are also the wider and politically significant moral questions (which would certainly be voiced on the British Left) about "compensating" White supremacists who are rebels to b.b.t.

However, even if guarantees were to be agreed (and several schemes are under active study) they can only be limited. If the money could be found, presumably schemes for paying the pensions of some 30,000 White civil servants, and finding them homes and alternative jobs elsewhere, could be devised. But what of land, a deeply emotive issue among Blacks as well as White Rhodesians? One suggestion is that a Western financial Fund should buy all White owned farms, release them to their present owners and scale payments (or "compensation") according to how long the owner stayed. But if all stayed, or a majority stayed, 50 per cent. of Rhodesia would still be

owned by Whites: not a solution that any Black Government, even the most moderate, could contemplate.

Thus it would seem inevitable that any workable guarantee on tangible assets like land would (as was the case in Kenya) have to involve the future Black Government. And that, of course, is the second key problem, for Rhodesia's Black leaders are still deeply divided. In spite of the growing success of the guerrillas, they have not yet produced a new leader, and the old guard politicians are, if anything, more split now than they were in 1975 at the height of the last effort to get negotiations going between Mr. Smith and the nationalists. (It is one of the tantalising "ifs" of history: if Dr. Kissinger had taken an interest in Africa at that stage, and put the full weight of the U.S. behind the joint efforts of the African Presidents and Mr. Vorster, would those negotiations have succeeded?)

The third key question on Rhodesia concerns Britain. All plans, whether from London or Washington, are being kept under strict secrecy. There is no doubt that there is a great deal of Anglo-American co-operation over Rhodesia, but there does seem to be one big point of difference. Washington seems to envisage that, once Rhodesia's Whites have accepted majority rule, Britain would step in to hold the ring. This could involve a major British presence including police or even troops, a possibility to which there is deep opposition in the Labour Party and probably elsewhere.

Diplomatic effort

All these are formidable obstacles and Dr. Kissinger was clearly right to say on Tuesday that there was "no guarantee that our current diplomatic effort will succeed." In Rhodesia, at least, the odds are very heavily against success. Time is not only running short; it has probably run out, at least until the guerrillas have achieved more successes and have produced a leader whom the frontline African Presidents (at present torn between different factions) can also back.

In Namibia, however, there may be more hope. Here, too, the outline plan involves a rapid transfer to majority rule, but it depends for success even more crucially on South Africa. On Tuesday, Dr. Kissinger hailed



South African Premier, John Vorster, with U.S. Secretary of State, Dr. Henry Kissinger, smiling as they leave their talks in Bavaria last June.

as a "major breakthrough" the news that a date (December 31, 1978) has been set for Namibian independence, and that the territory is due for independence as a unitary state with a multi-racial government in the interim. And so, in a sense, it is, for up to now South Africa has tried to impose the separate development concept of Bantustans for both a dependent or an independent Namibia, thus resolutely attempting to keep the territory under Pretoria's control.

However, for diplomatic moves on Namibia even to get off the ground, two things are vital. First, South Africa must be persuaded to involve Swapo, the main Namibian nationalist party, in negotiations on the future constitution, and secondly, it must accept that the UN—for the territory is still internationally accepted as a UN mandate—either supervises or at the very least observes elections leading to independence. It may be expected that Dr. Kissinger and Mr. Vorster will spend a lot of time on these two points this week-end.

In so far as Dr. Kissinger has a concrete plan for Namibia, it appears to centre on talks involving South Africa and Swapo, as well as the appointed delegates to the South African sponsored constitutional conference in Windhoek, the Namibian capital. These talks, it is being suggested, would take place in a neutral capital—perhaps Geneva. Their aim would be to work out a constitution acceptable to all, as well as the mechanics of an interim government which would arrange the transfer of power to the party which won the UN-supervised elections.

There are innumerable problems here too, among the most crucial being the attitude of Swapo, whose representatives have so far greeted the news of the independence date as the work of South Africa's "stooges and puppets." But fundamentally what matters is South Africa's own attitude. Put simply, the question is whether Mr. Vorster is prepared to administer the same medicine to Namibia as he has in the last two years been prescribing for Rhodesia.

Not only would South Africa have to agree to talk to Swapo and compromise on a UN presence, but it would have to agree to the release of Swapo prisoners in its jails, and make it clear that the estimated world

10,000 South African troops now in Namibia would be withdrawn in advance of independence, and probably in advance of the elections. Given White South African realities, that represents a very tall order indeed, and the only conceivable reason why Mr. Vorster might be prepared to fulfil it is that he may feel that South Africa's own interests would be better served by so doing. He might reason that South Africa would be better protected by a nationalist government in Namibia which had come to power peacefully, and not with the possible help of foreign powers. He might also feel that to do the Americans bidding (and in a sense the international community's) might win him some internal respite.

There is no evidence to suggest that Dr. Kissinger has offered to soften his line on apartheid if Mr. Vorster cooperates in Namibia, although fears that there may be elements of such a deal between the two men are expressed by some African politicians. Undoubtedly, however, Dr. Kissinger's most delicate problem this week-end will be what he says about South Africa itself, and what course of action he indicates he might take. It is noteworthy that in his Philadelphia speech—perhaps because of a right-wing backlash in the U.S. itself are diminished work out a constitution acceptable to all, as well as the mechanics of an interim government which would arrange the transfer of power to the party which won the UN-supervised elections.

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Delicate problem

There is no evidence to suggest that Dr. Kissinger has offered to soften his line on apartheid if Mr. Vorster cooperates in Namibia, although fears that there may be elements of such a deal between the two men are expressed by some African politicians. Undoubtedly, however, Dr. Kissinger's most delicate problem this week-end will be what he says about South Africa itself, and what course of action he indicates he might take. It is noteworthy that in his Philadelphia speech—perhaps because of a right-wing backlash in the U.S. itself are diminished work out a constitution acceptable to all, as well as the mechanics of an interim government which would arrange the transfer of power to the party which won the UN-supervised elections.

There are innumerable problems here too, among the most crucial being the attitude of Swapo, whose representatives have so far greeted the news of the independence date as the work of South Africa's "stooges and puppets." But fundamentally what matters is South Africa's own attitude. Put simply, the question is whether Mr. Vorster is prepared to administer the same medicine to Namibia as he has in the last two years been prescribing for Rhodesia.

MEN AND MATTERS

Livening up the dull days

To relieve the tedium of doing relatively little business in a silly season stock market stockbrokers Pender and Boyle decided to run a little competition among their major clients. In view of the talk which has been going on about the possibility of a variable interest rate bond P and B sent out a note with their yield lists offering a bottle of champagne to the first of their clients who could provide details of the last British Government issue to incorporate variable interest rates.

They did it for fun, but the joke got better as it went the rounds. P and B devoted a special phone number to the exercise, and those who knew detected that this was not the normal number of the firm—and suspected a hoax. A member of Mullens (the exalted firm which acts as Government Broker) guessed that P and B had sent out a key telephone number from the Bank of England: he was agreeably surprised when he tentatively rang the number and discovered that the man at the other end was in fact an old chum of his at Penders.

For the record, the stock referred to in the question did exist: the 5 to 15 year Treasury Bond, issued in 1920 and a tap stock until April 1921. The bonds had a nominal interest rate of 5 per cent., but this was subject to adjustment related to the average rate of discount on the Treasury Bill issue to the public.

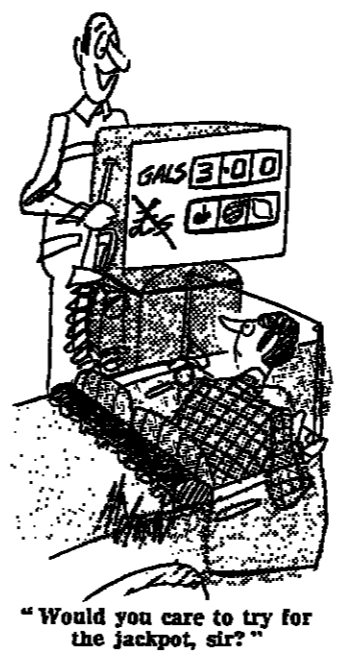
Amicable was not far behind, and was awarded an equal prize because it received the challenge a little bit later.

Dail struggles

Despite the grim realities of terrorism, perhaps we should forgive the Irish their current lack of excitement over the Government's new State of Emergency plans. After all, one deputy reminded the Dail that he had been living under a State of Emergency since he was four, a revelation that was directed to a parliamentary audience of 11.

The emergency he talked about was declared at the outbreak of the last war, and repeating it later slipped everyone's mind. As to the present debate, the mood of grim determination set by Prime Minister Liam Cosgrave in his opening speech was soon dissipated and for much of the subsequent time the Dail has struggled to provide a quorum. Indeed more deputies had to be summoned rapidly yesterday when the opposition Fianna Fail party took stuffy exception to the low turnout and complained to the Speaker. As the Irish Times commented, the emergency idea "seemed strangely irrelevant and remote. There was no sense of the enormity of the step being opposed."

Many are the stories about how commercial travellers relax. Matt Ascough, organiser of the European festival of model railways, swears he knows some who carry model railway layouts around in their cases to while away evenings in hotel rooms.



"Would you care to try for the jackpot, sir?"

In the world of rail modelling practically anything seems possible, and the decline in the fortunes of the real (British Rail) thing seems to make the hobby more and more popular. The most telling illustration of that is the entry into the market this year of Airfix Industries, the company long associated with many sorts of toys with the exception of model trains. Airfix watched the craze a few years ago for "Hot Wheel" type model cars eat into the then stagnant model railway sales. But stagnation has been replaced by rapid growth lately, and the market is now reckoned to be worth £15m. a year.

Model railway experts shy away from the description of "toys": adult involvement is all-important though Ascough says only ten per cent. of children given train sets for Christmas or birthday actually go on with the hobby in later life.

Airfix has gone into the business in an ambitious way, talking of doing more than just letting the trains go round. "Human involvement and excitement" is promised in some kits, complete with "train hold-ups, exploding bullion wagons and deadly rockets," offering "a whole new dimension to model railway buyers." Makes playtime, whether for real or grown-up children sound a nerve-wracking undertaking. But things were actually a good deal quieter this week at the model railway festival in the Central Hall, Westminster, where Airfix has a stand among the plethora of foreign railwayana. It must be said, though, that pride of place goes to the Nuremberg-based Fleischmann company, which brought across for the occasion a massive 200,000 layout, featuring 20 or so clock-looking continental expresses snaking round an Alpine-type mountain up which more elderly-looking trains toil.

However, just to underline how eccentric the whole business is, a layout of the month award has been given to a fairly stark reproduction of what is obviously a British railway scene, complete with grime and coal wagons of ancient appearance. Homely.

Wooden prose?

American business jargon can be maddening, but it can also be quite amusing. I particularly like the following letter sent to me by a reader who enquires: "Following receipt of a letter from 'The Desk of the President XYZ Co.' should I write back 'Dear Desk' or take a more aloof approach with a curt acknowledgment postcard. 'It is regretted that we do not enter into correspondence with furniture'?"

Observer



"I know it's a charity, but it never feels like one."

When you are getting on in years and find that you can no longer cope, it is good to know that the Distressed Gentlefolk's Aid Association runs 10 rather special Residential and Nursing Homes for people like you.

They are special because the DGAA understand the problems of the elderly—and, in particular, of the elderly who have known "better days." People are always given a place in a Home where they will "fit-in", where the others are the same sort of person with much the same sort of problems.

This is vital work. It is work that is not and cannot be undertaken by the Welfare State. It is work that must be done with sympathy and understanding.

The DGAA needs your donation urgently. And please, do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

Vicarage Gate House, Vicarage Gate, Kensington, London W8 4AQ

"Help them grow old with dignity"

ECONOMIC VIEWPOINT

BY ANTHONY HARRIS

The allure of the floating rate bond

AN American engineer once built a bicycle with backward-sloping front forks—an inherently twitchy machine. This willing martyr in the cause of science (perhaps it was a cousin of his who lived for more than a month in spectacles which made him see the world upside down) collected an impressive number of bruises before he had satisfied himself that no one could ride the machine, however hard they tried. No one has ever tried to market such a machine.

The Bank of England, it sometimes seems, is made of still sterner stuff, for despite a persistent battering over recent years, it has so far persisted in its efforts to control the money supply through a mechanism which is also, in the short term, inherently unstable. The basic reason for this instability should be well known, though it often seems to be overlooked by those who criticise the authorities for failing to keep monetary growth within its official target limits, month by month. It is, to put it at its simplest, the fact that it is only possible to sell large quantities of stock on a rising market. Sales of gilts therefore tend to be made in large waves, while interest rates are falling, as in the early months of this year, alternating with long droughts.

In the past, when the Government's financing requirements were much more modest, and no one was in any case particularly worried about movements in the money supply, this feature of the market caused no real trouble. In periods when the Government deficit was producing easy conditions in the money market interest

rates tended to fall as a result of market forces, and the demand for Government stock rose accordingly.

In a monetarist world, however, it is much more difficult to get monetarist results. Once the authorities are pursuing known monetary objectives, the news of a rise in the money supply produces intense speculation about what the authorities will do to counter it. It is generally feared that official action will be taken to force interest rates up. As a result, investors who might routinely invest part of their cash income in Government stock hold off, fearing a fall in the market. This rise in bank deposits and CDs appears in the next month's money supply. As a result, news of a sharp rise in the money supply tends to make the subsequent rise sharper than it would otherwise be.

Two ways

These facts are well understood by the officials concerned with market management at the Bank of England, and they have tried to meet the situation in two ways. The first was silence, and the second drama. The authorities have always said as little as they possibly could about any monetary targets they might have, and used vague terms like "appropriate" rather than naming any precise figure. They have also maintained a studied intransigence about month-to-month changes in the rate of monetary growth, stressing that the series have always shown large fluctuations.

However, under pressure from the City, the Press and

lately from the International Monetary Fund the Chancellor has been forced to be more and more precise about monetary policy; and the authorities have therefore taken such advantage as they could of the inherent instability of the system. They have met crises of confidence—nearly always of foreign confidence—with very energetic action to raise interest rates. Once it is thought that "crisis rates" have been imposed, the market looks for a return to normality, and the demand for Government stock picks up.

However, markets learn by experience, and the response is likely to become less keen on each successive trip round the switchback. A merchant banker of my acquaintance summed it up after the successive rises in minimum lending rate in April and May: "The Grand Old Duke of York rules." This kind of cynicism hardly suggested that the troops would be as eager as ever to march to the top of the hill, and so it has proved. To change the metaphor, the market requires successively stronger stimuli to satisfy its jaded appetite. The prospective yields now widely discussed in the market are as high or higher than those which ruled 13 months ago, when the rate of inflation was twice as high, and the Government's willingness or ability to tackle the problem was widely questioned.

This background suggests that the difficulties which the authorities are now finding in controlling the money supply and financing the Government borrowing requirement outside the banks were to some extent inevitable. They have certainly

been intensified by the history of recent months—the slide in the pound, the consequently higher inflation forecasts, and most recently by the drought, but even in more favourable circumstances, difficulties would have arisen.

The pressure has been greatly intensified in the last two

In fact the Chancellor has little need of reminders from pressure groups: the Treasury has been actively worried about interest rates ever since the review of public expenditure last year first made it clear that a successful attack on inflation might make the burden of debt interest un-

How, already strained by inflation, they should impose a heavy burden on earning capacity.

Industry's answer has been to rely on medium-term finance from the banks—term loans or roll-over loans which effectively offer a floating rate of interest. A similar solution is, of course, the one most widely canvassed for the Government's finances.

A floating-rate Government bond was first proposed as a solution to the present dilemma in a circular from W. Greenwell and Company, the stockbrokers, last November, and the authorities have made little secret of their interest in the idea since then. For a time, innovation seemed unnecessary: rising confidence made it possible to secure a large fall in short-term interest rates, and very large sales of Government stock in the early months of the year; and despite the severe setback of the sterling crisis, the Government clearly hoped that the announcement of a tight incomes policy, backed by the July cuts and the prospect of North Sea oil revenues would quickly restore market confidence.

Those hopes have been disappointed; and in the circumstances which have been described, the attractions of an experiment with floating rates hardly need stressing. From the point of view of the monetary authorities, the instability of the system would be reduced: demand for a bond whose rate would rise with market rates would be keenest when the demand for fixed interest securities is lowest, when a rise in rates is feared. Indeed, if

monetary growth could be taken up by the banks, which checked in this way speculation about a rise in rates might be avoided, still, so that sales of floating-rate bonds might make it easier to sell normal fixed-interest securities.

From the point of view of the Chancellor, an immediate rise in rates might be avoided, while in the longer term a reduction in inflation would promise some reduction in the cash cost of debt service. The

proposal also has the negative virtues that floating rate paper is familiar in the market (indeed the Government itself issued one floating-rate bond of £20m. worth to small savers through the Post Office) and raises no issues of principle.

Holding

There are difficulties, however, and the greatest is clearly to identify the potential market for such a security, and devise suitable terms. The bare idea of a floating-rate bond has already attracted some unfavourable comment from institutional investment managers. However, this is very far from conclusive. An instrument need not stand or fall by whether it is an attractive permanent holding for a pension fund.

First, a floating-rate bond, which would have a relatively stable capital value, might appeal quite strongly to the small investor, reluctant at the moment to risk further losses in the stock market—or indeed the gilts market—but ready to look at any safe investment offering a better income than bank or building society deposits. For oddly similar reasons, the bond might be

have recently had an unhappy experience in the gilts market, since by definition almost they are under pressure to sell when the market is against them. The Government might in this way be able to mop up some of the surplus reserves of the banking system (partly but thinly concealed) without resort to special deposits.

For large sales, however, some market must be sought among those with large funds at their disposal—the institutions, and companies maintaining a relatively large cushion of liquidity. Essentially this is a matter of attracting funds which might normally go into gilts, and might later be switched into gilts: and what such potential holders would require is some assurance that such a switch could be made without unduly depressing the market for the floating bonds. There seems to be no problem in principle here: floating bonds can be seen essentially as long-term Treasury bills, and it would be appropriate to accept them in a switching operation, just as the authorities now relieve the monetary squeeze caused by heavy gilts sales by buying in Treasury bills.

Given such an assurance—a problem of presentation more than anything else—floating rate bonds might appear as a very attractive alternative to the CDs, Treasury bills and other near liquid assets which the institutions now hold when they are waiting for a market to turn. It is problems of this kind which are now probably holding up a decision: just because the potential attractions are so great, it is essential to make a launch successful.

Indexed plan leasing

From the Managing Director, N.C.B. Staff Superannuation Scheme.

Sir—I was most interested to read Mr. Yorath's views (August 28) on the plan for the National Coal Board's Staff Superannuation Scheme. Funds provide the funds needed by industry for re-equipment. Almost two years ago we set up a scheme operating under the banner of C.I.N. Industrial Finance to provide direct to industry all the funds required for the construction of new manufacturing units, but all necessary plant and equipment needed to commence production. The scheme includes the provision of funds for the complete re-equipping of existing production units.

We are very conscious of the point made by Mr. Yorath concerning the initial cost of the funds which are provided. These are pitched at a level well below the cost of a straight term loan from one of the traditional sources of industrial finance. Not unnaturally we also look for an additional participation to take account of inflation during the course of the loan. The nature of the formula is tailored to suit each particular case and the requirements of the company concerned.

Bearing in mind that in some cases interest relief grants are available for certain new forms of manufacturing investment from the Department of Trade and Industry, the net cost to an industrialist in making an investment in new plant and equipment can be very low and attractive from his point of view. Our approach to this subject is, by traditional standards, somewhat novel, but I am pleased to see that Mr. Yorath is prepared to accept a more novel basis upon which long term finance can be provided. Hopefully in due course many of his colleagues in industry might be prepared to do likewise.

H. R. Jenkins, 10, Bowdrie Street, E.C.4.

Floating rate stock

From Mr. David Liss

Sir—The issue of either a floating rate stock or an indexed stock, in the Government's borrowing requirement for the remainder of 1976-77, would present difficulties which have now been well ventilated.

I write to suggest the issue of, say, £2,000m. of a completely new kind of stock, an External Treasury Bearer Bond.

Ownership would be limited to foreigners or foreign entities who are actual or potential external account holders. Interest would be paid gross. The rate of interest would be, say, 14 per cent. above that ruling for good foreign issues having a life of anywhere between five and ten years (dependent on the redemption date), and the redemption price would be indexed to the sterling-dollar rate or the "currency basket" depreciation rate at the time of issue. Its market price should therefore represent the position of sterling fairly accurately during its life.

Such a stock could of its nature do nothing to upset the interest rate structure: the foreign holders would be protected against further sterling weakness and would benefit from very low London dealing costs in the future.

For its part, the Government could take advantage of sterling strength to buy in stock before its redemption date, and would be borrowing on terms hardly more onerous than the minimum

Letters to the Editor

of 15 per cent. per annum now being canvassed, perhaps very much more cheaply.

David Liss, 49, Dale Street, London, W.4.

Plenty of water

From Mr. Basil Marriage.

Sir—I am sure that an overwhelming body of public opinion would strongly support your correspondent Mr. M. Price (August 27), in drawing attention to our inadequate methods of storing and distributing water.

When one proposes a site for a lake or reservoir—considered an amenity by so many—at least five so-called "conservationists" immediately oppose. This is the case in some circles as the "Five to One Stupidity Factor."

Many places have had water shortages for years—I seem to recall that Yeovil is one—and yet it is recently stated in your paper that 90 per cent. of our rainfall is allowed to flow out to sea. Let us be more realistic and restrictive. Basil H. Marriage, The Limes, Little Berkhemsted, Hertford.

The price of apples

From Mr. Patrick Tompsett.

Sir—As a spokesman for the wholesale fruit trade, including importers, David Shapley has predictably attempted to divert attention from the most vital factor raised in your article "Poor start for U.K. apple growers" (August 18) in his letter to you (August 26).

Can anyone believe that fruit can be grown in the Southern Hemisphere, transported half-way round the world, stored here for up to six months and then sold at 5p per pound? There is a simple word for this process: it is dumping, and international procedures have been established for preventing it.

Consumers of apples are entitled to expect a full choice of types of apples all the year round. All those responsible for providing this service are equally entitled to a fair return for their work, including those who meet the demand when fresh or stored local fruit is unavailable. It would be possible for such a system to operate without official interference, but it is obvious that this year has seen a total failure of any discipline on the part of those controlling key elements in the chain. Excesses have occurred in the quantities of imported fruit; lunacies have occurred in the timing of its disposal in our markets.

It is disappointing that our Government have failed to act against people responsible for achieving simultaneously a waste of two resources: foreign exchange and good English apples. I look forward to the day when the EEC Commission takes full charge of all these matters, including the formal investigation of dumping cases. Patrick Tompsett, Springfield, Marden, Tonbridge, Kent.

Public choice theory

From Mr. D. J. Kidd

Sir—Samuel Brittan (August 26) shows a nice sense of relevance in citing James Mill as a precursor of the "vote motive" analysts; but by the same token he invites the kind of criticism the utilitarians had to face for their assumptions about human motives. Writing of Bentham,

John Stuart Mill remarked "Man is never recognised by him as a being capable of pursuing spiritual perfection as an end; of desiring for its own sake the conformity of his own character to his standard of excellence without hope of good or fear of evil. Even in the more limited form of conscience this great fact in human nature escapes him. . . . There is a studied abstinence from any of the phrases which, in the mouths of others, import the acknowledgement of such a fact. . . . We find the words 'conscience', 'principle', 'moral rectitude', 'moral duty'. It is among the synonyms of 'love of reputation'." This is exactly the tenor of the public choice theory and while it would be absurd to deny the actual facts which give plausibility to the theory, its exclusion of an important part of human nature from consideration must restrict its validity.

For example, Clarendon said of his opponent in the Civil War, John Hampden, that at the beginning of the struggle with King Charles, Hampden's power to do good or harm was greater than any man's in the kingdom because "his reputation of honesty was universal and his affections seemed so publicly guided that no corrupt or private ends could bias them. This is an extreme instance of what is also a typical tendency in politics. As a matter of fact not fancy government is at least as much a creature of moral ideas as it is of advantage, and the more so the longer the view one takes. The power to coerce to secure obedience, which is the essence of government whatever its form, appears to gravitate to visible exponents of some set of 'higher' ideas and to seep away from those who have become visibly wrapped up only in their own concerns. As David Hume remarked in an oft-quoted passage: "Though men be much governed by interest, yet even interest itself, and all human affairs, are entirely governed by opinion. A theory which ignores these things, so far from being realistic, has still to get its bearings."

'Re-education' in Vietnam

From The Rev. Patrick O'Connor.

Sir—As you probably know, all Western correspondents were obliged to leave Saigon last May. Even before that, they were restricted in their movements, and in the content of their dispatches. Rigid censorship was exercised on every story. A correspondent who reported anything deemed uncomplimentary to the authorities would lose his permit.

The detention of many thousands—official secrecy keeps the actual number unknown—these concentration camps is an enormous hardship inflicted on them and on their families. I have known of the situation from various sources. Twice in the last ten months I have gone to Paris to interview persons who had been expelled or permitted to depart from South Vietnam. I was an accredited foreign correspondent for the Catholic Press in Vietnam in 1962, 1964, 1966 and 1967-68, and have maintained contact with Vietnamese sources over the years. You and your correspondent deserve credit for publishing the fact about the "re-education camps," though the available data may be. There is no doubt about the main fact, and it calls for widespread publicity and, indeed, protest.

Encouraging entrepreneurs

From Mr. Bernard Schwartz

Sir—Prompted by the article on The Missing Element in Industrial Strategy (August 16), Mr. Stevens, the manager of Technical Development Capital (August 26), wonders if "our kind of society no longer breeds business creators." May I suggest that Mr. Stevens himself is ideally placed to stimulate the re-generation of such a breed? The kernel of his task is clearly spelled out in the third paragraph of his own letter which reads: "We need there is no shortage of new product designs or innovations, but that the technologists are seldom commercially minded. Nor do many natural entrepreneurs approach us in partnership with designers of new industrial products or methods."

Why cannot Mr. Stevens make his organisation act as catalyst, bringing together the parties which appear to be complementary? In this way he would ensure worthwhile rewards to those "lively-minded people who are prepared to invest their ingenuity, time and energy in building new technologically based companies." Such an approach would begin to re-create the "missing element" which is at present deterring industrial growth. In the original article this was defined as entrepreneurial management capable of profitable

GENERAL

U.K. official reserves for August. Prime Minister begins two-day visit to North West England. In Manchester he meets representatives of TUC Regional Council, the CBI, Manchester Chamber of Commerce, and Council leaders.

Full Hospital Junior Staffs Committee of the British Medical Association vote on new contract for hospital junior doctors. Second day of Financial Times World Aerospace Conference at Hilton Hotel, W.1. Annual meeting of British Association for the Advancement of Science continues in Lancaster.

To-day's Events

Public inquiry into underground railway collision in Glasgow. United Nations symposium on use of solar energy continues in Geneva.

International Congress of Genealogical and Heraldic Sciences continues at Imperial College, S.W.7. Capital issues and redemptions (August). Provisional figures of vehicle production and estimates of new car registrations (August prov.).

COMPANY RESULTS

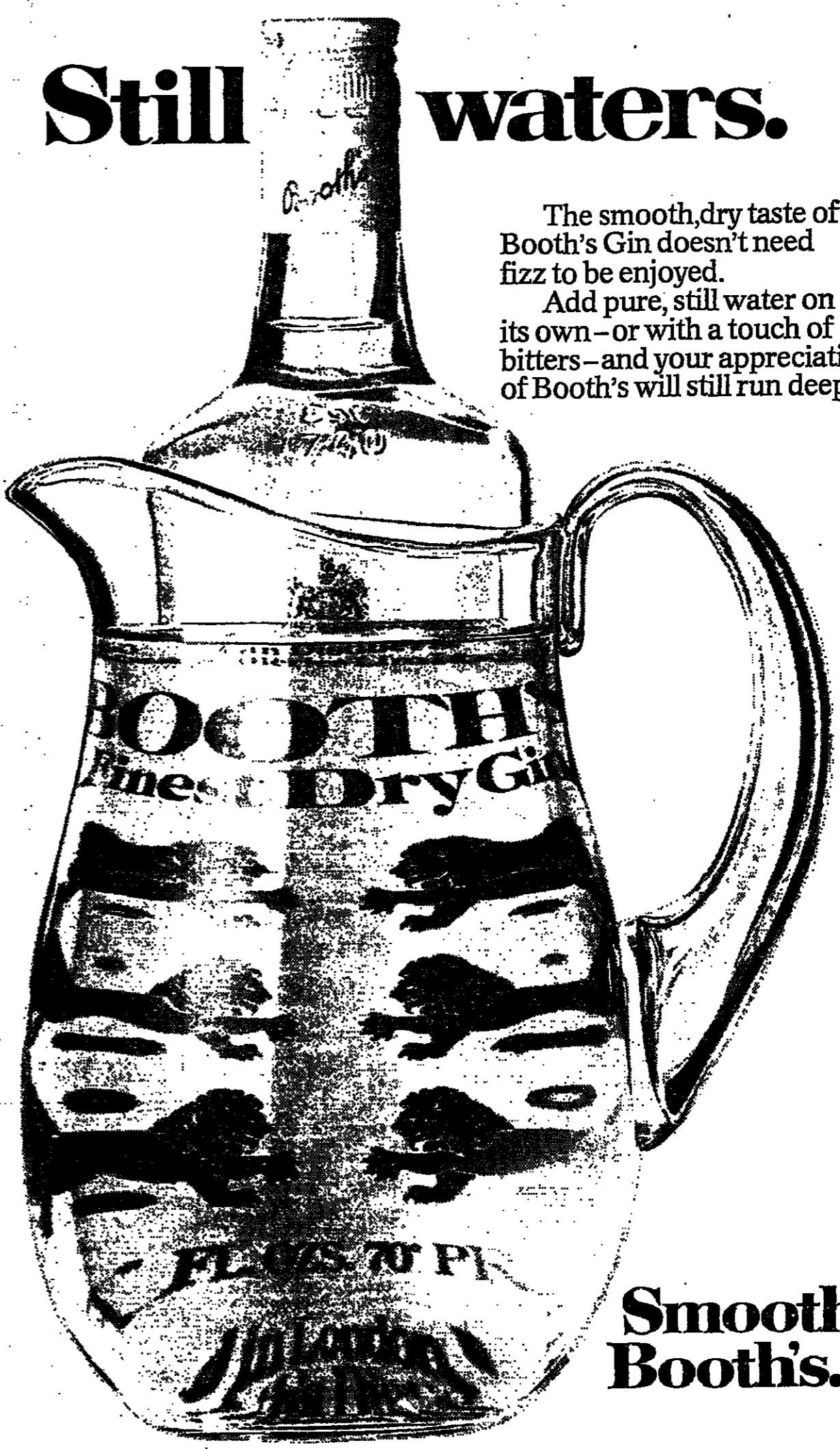
British Electric Traction (full year). British Petroleum (half year). Crane Fruehauf (half year). Guinness Peat Group (full year). Imperial Chemical Industries (half year). Provident Financial Group (half year).

SPORT

Cricket: Fenner Trophy Knock-out Competition, Scarborough. Golf: British Women's Open Championships, Fulford. Sun Guards Hotel, Whitehall, S.W. 12. Alliance matchplay, Kings Norton. Lee Cooper, 330, Seven Sisters Tennis: Junior Championships, Road, 11, Meyer (Montague L.), Wimbledon.

Still waters.

The smooth, dry taste of Booth's Gin doesn't need fizz to be enjoyed. Add pure, still water on its own—or with a touch of bitters—and your appreciation of Booth's will still run deep.



Smooth Booth's.

COMPANY NEWS + COMMENT

Better than expected £13.6m. from Decca

RESULTS OF Decca for the year ended March 31, 1976, are better than expected with pre-tax profits up from £13.25m. to £13.59m. on turnover of £170m. compared with £154.2m.

First-half profits were down from £5.62m. to £5.44m., and directors said that because of reduced profits from TV and a reduction in activities by the oil industry in the North Sea, profits for the year would be lower.

Profits before interest were up from £15.65m. to £16.25m. with electronics, navigation, survey, radar, etc. contributing £10.46m. (£8.98m.) and consumer goods—records, tapes, TV, audio, etc., £5.77m. against £6.07m.

As a result of depressed conditions in the home market, the contribution to profits by television was minimal, but increased profits were earned from records and tapes. Capital goods produced 64 per cent. of the pre-interest profit (57 per cent.) with an increase from navigation and radar and a reduction from survey.

Earnings per 25p share are up from 27.4p to 28.3p before special items and from 24.3p to 27p after such items. A net final dividend of 6.5537p makes a total of 34.8537p compared with 30.7116p previously.

Total exports which represented 42 per cent. of the turnover of the U.K. companies (33 per cent.) increased by 21 per cent. from £40.4m. to £49.1m. in 1976.

The group's net capital investment during the year in new machinery, apparatus for hire, buildings, etc., exceeded £7.1m. (£3m.) of which £5m. was covered by the year's depreciation charge.

Sales of consumer products in the current year to date are lower than last year, the directors say, in the capital goods market large contracts for electronic equipment recently obtained and in early prospect should provide a solid base for future growth.

Group turnover ... 1975-76 1974-75
£170.000 154.200
Consumer goods ... 41.500 32.900
Capital goods ... 49.100 37.300
Trade balance ... 15.700 15.100
Share associates ... 292 472
Profit ... 2.631 13.591
Interest ... 2.125 1.541
Profit before tax ... 13.591 12.050
Tax ... 1.998 1.823
Net profit ... 11.593 10.227
Dividends ... 1.544 1.811
Less on interest ... 1.591 1.786
Retained ... 34.444 30.712

After depreciation, etc. £4.9m. (£4.3m.).
*Improvement in net current liabilities in foreign currencies outstanding at March 31, 1976, £25.000 (£18,000) and operating on North Sea oil wells (£4,000) (£12,000). Loss on bed and breakfast sale of quoted trade investments subsequently repurchased.

Group turnover comprised overseas, including direct exports, £102.9m. (£90.4m.) and U.K. £67.1m. (£173.9m.).

See Lex

BSC has nearly 10% of Bridon

British Steel Corporation (U.K.) now holds just under 10 per cent. of the capital of Bridon, formerly British Ropes, following the conversion of its £3.31 per cent. unsecured loan stock 1977 into £4.5m. shares in Bridon.

British Steel says it intends to retain these shares which will be held as an investment.
The loan stock was issued to British Steel some years ago as part consideration for Bridon's acquisition of its wire interests. The shares will remain only for one-third of any dividend or distribution payable on the Ordinary share for the year 1976.

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£2m. so far for Metal Closures

REPORTING pre-tax profit up from £1.59m. to £2.05m. for the first half of 1976, Mr. John Boden, chairman of Metal Closures Group, says there are hopeful signs that this improving trend will continue.

The interim dividend is lifted from 1.4p to 1.5p net per share—the 1975 total was 3.4296p from profits of £2.78m.

The benefits of the rationalisation and relocation programme are now becoming effective, says Mr. Boden. This change has given an opportunity to restructure the U.K. trading activities and management.

A reduction in the labour force year and other cuts in overheads has enabled Metal Closures to hold its margins above the 10 per cent. level despite recent sharp rises in raw material prices (chiefly aluminium). Pre-tax profits were up 10 per cent. in the first half and this trend is expected to be at least maintained in the second. However, it is unlikely that any major upswing will be achieved without the help of the spirits sector of the drinks industry—metal tops for soda, gin and other bottles being a major part of MC's business.

After last year's special provision, attributable earnings this year should not be much dent by reorganisation costs. Meanwhile the company, backed by strong liquidity, is seeking sales expansion through new products. The shares at 81p give a maximum yield of 9 per cent. covered over two-and-a-quarter times on maintained earnings growth in the second half. The prospective p/e is 6.9.

Sena accounts qualified

The 1975 accounts of Sena Sugar Estates have been qualified by auditors, Peat Marwick Mitchell. The auditors say the accounts have been prepared on a going concern basis and on the assumption in particular that the company will satisfactorily conclude its negotiations with the Mocambique authorities to allow remittances to be made to London sufficient to meet the

Company's London expenses and Debenture Trust Deed obligations; that permission previously granted for the remittance of funds from Mocambique sufficient to meet the Company's substantial liabilities in currencies other than Mocambique Escudos, will continue to be honoured; and that the Company is able to satisfactorily conclude its discussions with the Trustees of the 8 per cent. Second Debenture Stock in connection with the breach of the Trust Deed arising on the pledging in Mocambique of certain assets already secured under the Trust Deed.

Brit. Vita midway expansion

HELPED BY substantial growth overseas, pre-tax profit of British Vita Company, the plastics and paint group, improved to £125,000 from £115,000 in the first half of 1976.

Turnover expanded from £15.85m. to £17.17m. In the U.K., sales rose from £13.1m. to £14.2m., while overseas the increase was from £2.7m. to £2.9m.

Earnings per 25p share were lifted from 4.4p to 4.9p, and the net interim dividend is raised from 1.7p to 1.87p. Last year's total was 3.48p, paid from a record pre-tax profit of £23.1m.

The chairman, Mr. Norman Grimshaw, says the half-year results show a steady improvement within the U.K. Profitability was affected by severe raw material cost increases, mainly due to currency devaluation coupled with reduced level of market activity.

Further substantial growth was achieved overseas and operations continue to be expanded both organically and geographically as opportunities occur.

U.K. sales ... 1975 1974
£12.5 11.5
Overseas ... 12.5 11.5
Total ... 25.0 23.0

Operating profit ... 6.2 5.1
Interest ... 0.1 0.1
Expenses ... 0.1 0.1
Pre-tax profit ... 6.2 5.1
Tax ... 0.1 0.1
Profit before tax ... 6.1 5.0
Dividends ... 1.8 1.7
Net balance ... 4.3 3.3
Interim dividend ... 1.8 1.7

Loss elimination in the U.K. and a sharp increase in overseas profits has lifted British Vita's first-half pre-tax profit to £125,000. In the U.K., the £250,000 turnover is mainly due to better profits from industrial rubbers, mouldings and compounds, while components for furniture and bedding gained market share though profits did not benefit. Overseas nearly every market turned in better results, while the real star performer was Nigeria. For the rest of the year British Vita expects to maintain this trading picture, which obviously indicates a substantially better result. Even a maintained second half (though the group was still making hefty U.K. losses in the closing half of last year) points to £3m. pre-tax. However, the shares remained unmoved on the figures at 81p where the maximum prospective yield is just 6.2 per cent.

Heavy first half loss by W. L. Pawson

The pre-tax loss of women's clothing manufacturer W. L. Pawson and Son for the six months to June 19, 1976 jumped

from £5,970 to £30,794, after depreciation of £10,365 (£9,824). The company has not paid an interim dividend since 1973, and none is announced for this period. Turnover for the half-year was slightly up, at £268,239 (£277,299). For the year to December 19, 1975, the company paid a single dividend of 0.4p net per 3p share after a pre-tax profit of £30,297.

AAH strong financial position

IT IS TOO early to forecast the outcome of A.A.H. for the current year but the chairman, Mr. W. M. Pybus, says he has no doubt about the strength of the group in management and finance, and he is confident of its ability to perform well in the current year and in the future.

Net liquid assets at end March increased by £0.73m. (decrease £2.1m.).

The acquisition of Chemists Holdings (London) represented a major step in the policy of developing a broadly based distribution and service group. It is intended to continue this policy by internal growth and by acquisition.

Mr. Pybus says the company has gone a long way in making itself less dependent on solid fuel distribution in the policy of developing a broadly based distribution and service group. It is intended to continue this policy by internal growth and by acquisition.

Meeting Quazilino, Bury Street, S.W., on September 24 at noon.

£0.94m. by W. of E. Trust

FOLLOWING the rise from £213,700 to £249,400 at halfway, pre-tax profits of the West of England Trust increased from £18,244 to £38,146 in the year ended June 30, 1976.

In their interim report, the directors said that they were confident that results for the year would be substantially higher than those of 1974-75.

Earnings per 25p share are up from 1.83p to 3.50p and the net interim dividend is 1.86p, making a maximum permitted total of £1,238.1p compared with £1,138.7p previously.

Operating profit ... 6.2 5.1
Interest ... 0.1 0.1
Expenses ... 0.1 0.1
Pre-tax profit ... 6.2 5.1
Tax ... 0.1 0.1
Profit before tax ... 6.1 5.0
Dividends ... 1.8 1.7
Net balance ... 4.3 3.3
Interim dividend ... 1.8 1.7

No sign of upturn at Wm. Cook

In the annual report or steel castings manufacturers William Cook and Sons (Sheffield), the chairman Mr. A. McT. Cook, says that there are "still no clear indications of a real return to better trading conditions."

A revaluation of the company's leasehold land and buildings on the existing use basis at July 13, 1976, produced figures of £625,000, an excess of £263,404 over the net book amount.

As known, the company increased its profit from £136,373 to £238,078 in the year to March 31, but this was achieved on a restricted output. A one for four scrip issue is proposed.

At August 6, the L.T.C. Pension Trust and L.T.C. Pension Investments jointly held 12.85 per cent. of the shares in the company, Miss A. A. Cook 10.02 per cent., and Mr. A. J. Cook 12.56 per cent.



Sir Edward Lewis, chairman of Decca.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corr. of spending year	Total last year
Albright and Wilson Int.	1.54	Oct. 22	1.7	3.75
British Vita	1.57	Jan. 4	6.57	8.67
Decca	6.84	Dec. 23	1.0	2.47
Alexander Howden Int.	1.23(a)	Nov. 12	2.88	3.04
Matthews Wrightson Int.	2.62	Nov. 5	1.4	3.48
Metal Closures	1.5	Sept. 29	Nil	12.5
Petaling Tin	1.25(b)	Oct. 4	1.63	4.02
Tavener Rutledge	2.8	Nov. 5	0.64	1.24
West of England Trust	0.69			1.14

Dividends shown pence per share net except where otherwise stated.
*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) To reduce disparity—maximum permitted total intended. (b) Malaysian cents. (c) 5.2p forecast.

Mid-term 47% jump at Tavener

For the fifth consecutive year Tavener Rutledge, the Liverpool sheet manufacturers, continued its accelerated profit growth with a 47 per cent. rise for the first half of 1976. The figure was £222,278 pre-tax compared with £151,067 for the same period last year. Sales rose 20 per cent. from £2.85m. to £3.4m.

The greater share of the increase in sales and profits came from exports, according to the mid-year report of chairman, Mr. A. Hyde. He states that the many years spent in building the company's franchise in markets abroad have put it in a unique position for a confectionary company of its size for future growth.

The first half results indicate that the company's stated annual growth goal of 20 per cent. will be considerably exceeded, he points out.

The interim dividend is lifted from 1.625p to 2.6p net. It is the director's intention to recommend a like amount as a final dividend making a total of 5.2p. Last year's total was 4.02p.

Progress at K.O. Boardman

Sales for the current year to date are approximately 12 per cent. lower than for the corresponding period last year, but margins have improved, writes Mr. K. O. Boardman, chairman of K. O. Boardman International, in the group's annual report.

He says that while trading conditions are far from easy, he expects a satisfactory result for the first half of the current year. The group made a pre-tax profit of the year to March 31, 1976, of £1,105,233, up from £1,075,980 (reported July 30).

ISSUE NEWS AND COMMENT

Eastbourne £2½m. 7-year Pref. stock

Brokers Seymour Pierce have the yields are 13.99 per cent. run-completed arrangements for an offer for sale by tender of £2½m. ann and 14.08 per cent. to redemption.

A deposit of £10 is payable with tenders to be received on or before October 14. Tenders must be for a minimum of £100 of stock and multiples thereof. Interest on the stock will be payable half-yearly on October 1 and April 1. The first dividend amounting to £4,293.8 per cent. will be payable on April 1, 1977.

The offer from Eastbourne Waterworks departs from the water issue norm of late, in that the stock runs for seven years rather than five. Five-year stocks became popular with the discount market, but this issue is obviously a response to demand from institutions for a longer-term higher coupon stock. At the minimum tender price the running and redemption yields are 14.08 per cent. and 14.19 per cent. respectively, which looks attractive enough, and the issue should meet a successful response. Tenders in the area of a half point premium at 299 per cent. look in order where

comment

After the Jessel Group was sold to Slater Walker Trust Management in 1974, Mr. Potts joined Gartmore Fund Managers where he built up the funds of that group to £18m. in 18 months.

Chieftain is launching its first fund, Chieftain High Income, this week-end, which will have a response to demand from institutions for a longer-term higher coupon stock. At the minimum tender price the running and redemption yields are 14.08 per cent. and 14.19 per cent. respectively, which looks attractive enough, and the issue should meet a successful response. Tenders in the area of a half point premium at 299 per cent. look in order where

Carroll turns in £5.38m.

External sales of cigarette and tobacco manufacturers, P. J. Carroll and Co. increased from £77.35m. to £93.66m. and pre-tax profit was up from £7.37m. to £9.84m. compared with £1.90m. The directors say that although the tax increases imposed in the January 1976 budget were generally thought to be less severe than might have been expected, the effects on domestic sales volume were in fact severe in the months following. There has been a recovery in recent months "but it must be now evident that heavy increases in tobacco taxes are as damaging to Revenue as they are to the industry."

They anticipate further significant increases in the costs of imported raw materials, accentuated by more disadvantageous exchange rates. Contract export sales which were at low levels during the early months increased substantially and are currently at high levels.

During 1975/6 the provision for replacement of stock consumed is calculated for the group as a whole. In the corresponding period the provision relates only to tobacco leaf.

To bring all divisions into line, the accounting period is being extended by three months.

The group's activities are in textiles, footwear and printing.

Meeting, Manchester, September 22 at noon.

Report of The Wellman Engineering Corporation Limited for the year ended 31st March 1976

Salient points from the Circulated Statement of the Chairman, Mr. Alan C. N. Hopkins, M.A., LL.B.

- Profit before tax up 30%
- Exports 28% of Group Sales
- Profit after tax up 37%
- Dividend covered 2.8 times

Facts & Figures	1976	1975
Profit before taxation	£ 1,174,093	£ 906,291
Assets Employed	5,432,020	5,034,121
Asset Value	48.2p	44.7p
Earnings after tax	5.47p	4.00p
Dividend	1.95p	1.799p

WELLMAN

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any shares.

American Medical International, Inc.

(Incorporated in Delaware, U.S.A.)

Share Capital	Authorised	Issued
\$1,000,000	Shares of Cumulative Preferred Stock of \$1	—
15,000,000	Shares of Common Stock of par value \$1	6,023,252

A scheme for a merger to change the State of Incorporation of the Corporation from California to Delaware has now become effective and the whole of the shares of Common Stock in issue on 31st August, 1976 have been admitted to the Official List by the Council of The Stock Exchange.

Particulars relating to the Corporation are available in the Extel Statistical Services and copies of the particulars may be obtained during business hours on any week-day (Saturdays excepted) up to and including 15th September, 1976 from:

Joseph Sebag & Co.,
3, Queen Victoria Street, London, EC4N 8DX.

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Portfolio III Capital Offer £1.44

NOTICE TO HOLDERS OF MITSUI & CO., LTD.

8½% CONVERTIBLE SINKING FUND DEBENTURES DUE 1989

7½% CONVERTIBLE SINKING FUND DEBENTURES DUE 1990

Notice is hereby given, pursuant to the requirements of Section 1304(H) of this Company's indentures dated 30th September 30, 1974 and September 30, 1975, respectively, relating to the below-mentioned Debentures, that effective as of the close of business in Tokyo on August 31, 1976 (Tokyo Time) the conversion prices at which such Debentures may be converted into shares of Common Stock of this Company were reduced to Japanese Yen 306.50 for the 8½% Convertible Sinking Fund Debentures due 1989 and Japanese Yen 445.00 for the 7½% Convertible Sinking Fund Debentures due 1990.

MITSUI & CO., LTD.
September 2, 1976

BEST AND MAY LTD

Stockists and Distributors of Electrical Equipment

Record profits and confidence in the future

	1976	1975	1974	1973
Turnover	2,399,647	2,627,902	2,021,060	1,889,000
Profit before tax	205,196	184,863	166,243	102,627
Profit after tax	96,598	93,363	80,243	59,627
Ordinary dividends	38.11%	34.65%	31.5%	30%
Earnings per share	4.83p	4.67p	4.01p	2.98p

For a copy of the Report and Accounts apply to The Secretary, Best and May Limited, 42/48 Monkton Street, London SE11 4TY

To the Holders of Maritimecor, S. A.

Secured Floating Rate Notes 1982

In accordance with the provisions of the above Notes, Bankers Trust Company, as Paying Agent therefor, has established the Rate of Interest on such Notes for the semi-annual period ending February 28, 1977 as seven and eleven-sixteenths per cent. (7 11/16%) per annum. Subject to the deposit of Funds with the Paying Agent interest due on such date will be payable upon surrender of Coupon No. 9.

Dated: September 2, 1976
Bankers Trust Company,
Paying Agent

MITSUBISHI SHOJI KAISHA, LTD.

(Mitsubishi Corporation)

7½% Convertible Debentures Due 1985

NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN to the Holders of the 7½% Convertible Debentures due October 31, 1985 (the "Debentures") of the Mitsubishi Shoji Kaisha, Limited (Mitsubishi Corporation), a Japanese Corporation (the "Company") that pursuant to Section 3.01 of the Indenture, dated as of October 31, 1970, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (the "Trustee") the Company has decided in accordance with the provisions of the eighth paragraph of the Debentures and the first paragraph of Section 3.01 of the Indenture to redeem on September 30, 1976 all Debentures then outstanding.

The price at which the Debentures will be redeemed will be 104% of the principal amount thereof and will be U.S. \$1,040 per U.S. \$1,000 principal amount. In addition, the Company will pay to the holders of the coupons due on September 30, 1976 the amount of such coupons upon presentation and surrender of such coupons in accordance with the provisions of the Debentures and the coupons.

The payment of the redemption price will be made on and after September 30, 1976 upon presentation and surrender of the Debentures together with all coupons appertaining thereto maturing after September 30, 1976 at any of the offices of the following Paying Agents:

Morgan Guaranty Trust Company of New York in New York City, Brussels, London, Paris and Frankfurt am Main.

Bank Mees & Hope NV in Amsterdam

Banca Morgan Vonwiller S.p.A. in Milan and Rome

Banque Générale du Luxembourg in Luxembourg

All payments will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts at the office specified above in New York City, or, at the option of the holder, in like coin or currency, at the other offices specified above, by check drawn on, or transfer to a United States dollar account maintained by the payee with a bank in New York City, subject to any applicable federal and other laws and regulations, all in accordance with the provisions of the Debentures and coupons.

On and after September 30, 1976 interest on the Debentures will cease to accrue and the right to convert the Debentures into shares of Common Stock of the Company will terminate at the close of business on September 30, 1976.

The Debentureholders' attention is called to the fact that in accordance with the provisions of paragraph four of the Debentures they may convert their Debentures into shares of Common Stock of the Company having a par value of 50 yen per share, or at the option of the holders, into Bearer Depositary Receipts each representing 40 shares of such Common Stock at the conversion price (with the Debentures taken at their principal amount translated into Japanese yen at the rate of 360 yen equals U.S. \$1) of 115.00 Japanese yen per share. Each holder who wishes to convert his Debentures must deposit his Debentures, together with all unmatured coupons, with any of the offices of the Paying Agents specified above before the close of business on September 30, 1976, accompanied by a written notice to convert, the form of which notice is available from any of the Paying Agents.

For the information of the Debentureholders, the reported closing prices of the shares of Common Stock of the Company on the Tokyo Stock Exchange during the period from June 23 to July 22, 1976 ranged from the high of 452 yen to the low of 429 yen per share. The reported closing price of such shares on the Tokyo Stock Exchange on July 22, 1976 was 436 yen per share.

MITSUBISHI CORPORATION

Dated: August 3, 1976

RECENT ISSUES

EQUITIES

Issue Price	Current Price	High	Low	Stock	Change
100	100	100	100	Agri. Mortg. 10% Bond 1976	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100

FIXED INTEREST STOCKS

Issue Price	Current Price	High	Low	Stock	Change
100	100	100	100	Agri. Mortg. 10% Bond 1976	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100

"RIGHTS" OFFERS

Issue Price	Current Price	High	Low	Stock	Change
100	100	100	100	Agri. Mortg. 10% Bond 1976	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100
100	100	100	100	Bank S.S. Wales	100

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. c Dividend rate paid or payable on part capital, other based on dividend on full capital. d Pence unless otherwise indicated. e Forfeiture dividend: cover based on previous year's earnings. f Figures based on prospectus or other official estimate for 1976. g Figures assumed. h Cover allows for conversion of shares but new rights for dividend or raising only for restricted dividends. i Issued by tender. j Offered to holders of Ordinary shares as a "rights" offer. k Offered to holders by way of capitalisation. l Tender allotment price. m Reintroduction. n Issued in connection with reorganisation, merger or takeover. o Introduction. p Issued to partly-paid allotment holders. q With warrants. r After suspension.

Matthews Wrightson up £1.6m. at halftime

INSURANCE, shipping and air on equipping a new synthetic loading. Although the pulping plant is not yet operating at full capacity, the quality of pulp produced has already met the company's expectations and the requirements of customers.

On the assumption that no further burdens in costs are imposed or incurred and that the present level of demand continues, the outcome for the year should be reasonably acceptable, the chairman adds.

The interim dividend is 0.8375p net per 25p share. For the previous year an interim of 1.35p gross was followed by a final of 2.33p gross.

First half 1976 1975

External sales 13,148,104 11,835,639

Profit before tax 134,828 229,281

Taxation 123,538 151,296

Profit 11,290 77,985

Dividend 6,230 161,346

Loss attributable 6,230 22,360

Profit 6,230 22,360

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Regalian Properties £4.3m. loss

FOR THE 15 months to March 31, 1976, Regalian Properties incurred a pre-tax loss of £4.3m. compared with £1.95m. for the previous year. Turnover was £2.2m. against £1.88m.

The deficit is struck after interest received of £44,916 (£518,823). Interest paid of £34,818 (£378,830). Interest payable on deferred purchase consideration of £3.87m. (£2.6m.) and a provision of £358,103. (£nil) against interest credited in prior years.

Tax took £306,422 (£138,302). The loss per 25p share before extraordinary debits of £349,358 (£nil), was 108.68p (£46.93p). Again there is no dividend.

The directors state that in March the company made a profit of £16,531 and earnings per share were 0.37p. While these figures are not intended as an indication as to the year's trading, it can be seen that the company, as opposed to the group, has now entered into an era of profitability, albeit at a moderate scale.

See Lex

Olives Paper upgrades forecast

Despite a trading loss of £54,891 for the half year ended June 25, 1976 (reported August 23), the directors of Olives Paper Mill are now confidently expecting to exceed their forecast of breaking even over the next year, provided that the rate of recovery in the industry is maintained.

The company has arranged "adequate financial support" from its bankers (the interim balance sheet shows an overdraft of £239,040), and still hopes to pay a dividend by April 3, 1977, as promised. Consideration of the dividend was recently deferred to the end of the year.

Carlton Inds. off to good start

At the annual meeting of Carlton Industries, chairman Mr. Leon Roydon said that the current year had started well for the three major divisions with the battery division, Haddon-Oldham, again the main contributor to a material increase in profits.

Group profits for the first quarter of the year were ahead both of budget and of the same period last year and this trend was expected to be reflected in results for the full year.

HALLAM SLEIGH

In their interim report the directors of general engineers Hallam Sleigh and Cheston estimate a similar year-end profit to the previous year. For the 13 months to September 30, 1976, the pre-tax figure was £36,778.

And they view the next financial year "with guarded optimism."

As known there is again no interim dividend.

Laurence Scott policy

Laurence Scott is now able to return to his programme of investment which has been interrupted by inflation on the group's cash flow over the past three years, Mr. P. M. Tapscott, chairman.

He reminds holders in his annual statement that as long ago as 1972 the complete redesign of the mechanical construction of the motor range was started and outline plans were made for the associated heavy investment in plant and machinery.

The investment in machine tools will be of the order of £2m. for which an Interest Relief Grant is being received. In addition, over the next two years, further investments in foundry plant are being made at a cost of about £300,000, and plans are well advanced to modernise and enlarge sheet metal manufacturing facilities.

Mr. Tapscott is confident that the company will continue to meet the needs of existing customers and "sharpen" its selling capability abroad.

Referring to the company's financial needs over the next two or three years, he says that a substantial part can be financed by retained profits and the balance by medium-term loan now in course of negotiation.

As already reported, pre-tax profits for the 15 months to March 31, 1976, were £1.72m., compared with £2.00m. in the previous 12 months.

Mr. Tapscott reports that negotiations are well advanced to acquire for about £450,000 the share capital of MTE Systems, a subsidiary of MTE which is wholly owned by Ransome Ho.

man Pollard. The net assets are of the order of £450,000, and the unaudited profit before group charges and tax for the year to May 31, 1976, was about £200,000.

This level of profit "unlikely" to be maintained in the current financial year, he adds.

Meeting, Great Eastern Hotel, E.C. Sept. 21, noon.

Clondalkin Paper Mills downturn

On sales up from £11.04m. to £13.14m., first-half 1976 pre-tax profit of Clondalkin Paper Mills contracted from £249,281 to £134,838. The figure for the year 1975 was £1,201,358.

Demand in the six months was well below capacity, costs of materials and services increased, and due to the weak market situation, such costs could not in the main be adequately reflected in selling prices, says the chairman, Mr. E. J. J. O'Brien.

Apart from reduced demand, the depreciation of sterling in conjunction with a remarkable firmness in pulp prices (in Kroner or Dollars) and the continuing escalation in energy costs were integrated producers of paper did not adjust their prices of paper or paperboard commensurately with pulp prices in terms of Sterling, he explains.

However, the commissioning of the wastepaper recycling plant and a vastly improved operation of the Thermo Refining Pulp Plant did, during the second quarter, ameliorate fibre costs and the sale of market reformed pulp at full list price reversed the alarming trend part of an investment programme, which developed during the first half, he adds.

The first was carried out two quarters ago when £0.75m. was spent on converting plants operated at better

Philippines expansion for Tootal

Tootal is to spend £1m. doubling its polyester spinning and twisting operations at Allied Thread in Manila, a wholly-owned subsidiary of Tootal, to cater for increased demand in the local home market and growing export potential to neighbouring countries.

This expansion is the second part of an investment programme, which developed during the first half, he adds.

The first was carried out two quarters ago when £0.75m. was spent on converting plants operated at better

verting plants operated at better

See Lex



Banque Nationale d'Algérie

U.S. \$50,000,000

Redeemable Floating Rate Deposit Notes due 1981

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Caisse Nationale de Crédit Agricole

European Arab Bank (Brussels) S.A.

Kuwait International Investment Co. s.a.k.

London & Continental Bankers Limited

Union de Banques Arabes et Françaises — U.B.A.F.

Wardley Middle East Limited

Wobaco Investments Limited

Atlantic International Bank Limited

Merban Limited

Misr Iran Development Bank (Cairo)

Habib Bank Limited

Midland Bank Limited, International Division

Société Centrale de Banque

Arab Bank for Investment and Foreign Trade

Banque Intercontinentale Arabe

Banque de Neufilze, Schlumberger, Mallet

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Italian International Bank Limited

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tion

BOOKS

Temporary captain

BY C. P. SNOW

The Diaries of Evelyn Waugh edited by Michael Davis. Weidenfeld & Nicolson, £7.95, 314 pages

More is a Diary entry by Evelyn Waugh, 24 June 1944: At about 2.30 on the night of Monday, June 19-20 I heard over the radio (I was lying in bed) flying over and for the first time I was frightened. Thinking this was a very bad omen, I thought it was due to weakening my nerves with drink (I was drinking heavily all those days in London) and have therefore resolved to-day never to be drunk again.

The first of these two sentences is a record of fact, and the simple truth. Waugh was a man of utterly fearless courage. The second sentence enshrines a pledge for the future. It was not kept. Waugh went on with his obsessive drinking; and, to get any kind of sleep, he went on taking heavy doses of sedatives, as he had done since he was very young.

He told of those habits, with the curious open-eyed innocence of one not at home in this world. In the diaries, which stretched over more than 30 years, though there were intermissions, he faithfully put down the details. It is possible that no one previously has ever stated on paper so many occasions of being drunk. This is peculiarly depressing to read, not because he was so often drunk, but because he seemed so miserable, or even despairing, for most of his life. There are few indications of joy or high spirits in these 600 pages of diary entries. Some diary writers tend to feel compelled to register their griefs, not their consolations. This may have been true with him. Still, the evidence is strong that an idiosyncratic kind of sadness was

the prevailing tone of his existence. It makes him more sympathetic, and his literary executors have shown good judgment in publishing his diary almost in full (with a few gaps enforced by more than usually virulent examples of Waugh's contempt for most of human kind). The preliminary extracts have been misleading. Nothing will ever make him appear an estimable character, but at least his own words will suggest that he was a human one.

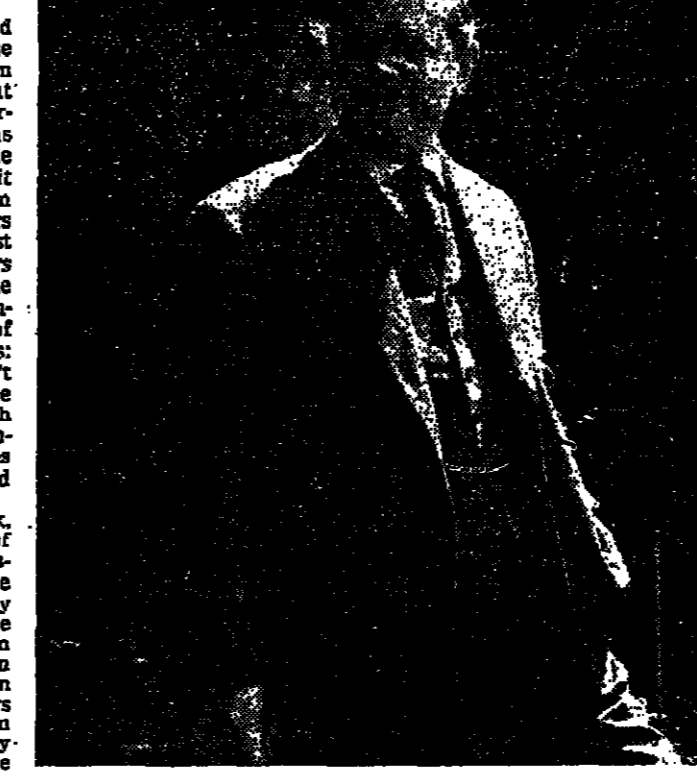
He behaved intolerably in many circumstances during much of his life. As intolerably as any writer of high ability that one can think of. It is infuriating the currency to describe him, as some of the publicity is now doing, as a great novelist. Great novelists don't come all that often, and probably there has been only one in the English language. Waugh was a writer of very high talent, exceptionally skilful at working within his limits, and as totally original as anyone this century. It should not surprise us, then, that his talent so original should be developed in order to make him a mediocre. His first marriage failed, his wife leaving him for an acquaintance after a few months. Later he gave Nancy Mitford, a lecturer on sexual timidity in men, and one suspects that he knew enough about it himself. Of course, after such a debacle, any young man would have felt humiliated as well as alone. Waugh gave the impression that he felt humiliated alone, and determined that it shouldn't happen again. He found a second wife much younger than himself. He was searching for a safe home. That is established, though she must have had a lot to put up with. Fortunately she seems to have been capable of downing at least one bottle of his two.

that relation from Pinfold, and something more from these diaries. From the diaries we can also make some guesses about the structure of Waugh's personality. That needn't serve as an excuse for the intolerable aspects of his behaviour. And it is no use trying to laugh them off as certain of his defenders have tried—Oh, that was just Evelyn's little way! Good writers have no sanction to behave like callous bores. However our temperaments are made up, each of us is responsible for his actions: or else none of us is. I don't know which alternative is the harsher. That applies to Waugh as much as to the most unassuming of his readers. But it does no harm to try to understand something about him.

He certainly had a streak, maybe more than a streak of paranoia. The voices in his head, the electronic messages, are reported by paranoiacs every day of the week; and one can see the first premonitions very early in the diary, long before he had run into any objective trouble. In fact his life, apart from the years immediately after going down from Oxford, was remarkably free from objective trouble. He was surrounded by much love. Great reliance and modest prosperity came to him early, and stayed constant until he died.

Perhaps more significant, because less apparent, is that he was—markedly schizoid. I am sorry to use terms which may not really say much. It happens, though, that in a formal sense the hold lines of his personality can be defined. Not the small expressions which made him unique, as everyone is unique—such as why, having settled himself in the part of a country gentleman, he did regard it as suitable to dress rather like a bookmaker? Those are the mysteries of personality; but the crude schizoid manifestations aren't. He had, like others of his

kind, less outward flow of feeling than most people. He was affected, as children are: he could be cruel without feeling, as children can be. Except in his most intimate relations, he felt little for those round him, when they were not evoking his internally directed emotions of contempt or rage. That is discernible in his art. And if you follow the curve of his life in these diaries, you can notice how the chill grows upon him as he gets older. Even the show of friendship drops away, and he despises humankind even in London he trudges the monotonous drinking round, Hyde Park Hotel, St. James's Club, White's, Pratt's. At home he just drinks and at night drugs himself to sleep.



Evelyn Waugh: courage and desolation

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Hypnotic hold

BY DR. DAVID CARRICK

The Wizard from Vienna by Vincent Buranelli. Peter Owen, £5.25, 256 pages.

The largest and most opulent room in the Hotel Balkan, with its elegant looking-glasses, panelled walls, lofty ceilings, and oriel windows, was a favourite venue for Parisian aristocrats in the 18th century. In 1785, however, just four short years before the revolutionary cataclysm was to sweep away all the gentility of Parisian life, the grand room was to be the setting for a bizarre activity. The clientele was little changed; the décor was unaltered; but the function was very different. For the Louis Quinze room of enjoyment had become a clinic, and here, with the heavy doors closed, in the lamplight his hand, moved the burly figure

of the famous or infamous Dr. Mesmer. Projecting his "animal magnetism" by touching, stroking, making passes with his hands or merely by pointing his wand, he excited shuddering, twitching and minor fits in his patients, many of whom obtained relief through his hypnotic efforts and the emotive setting. But Mesmer, son of a Swabian game-keeper, was popular only with his patients. The medical profession of Europe as well as authority looked askance at his behaviour which was a mixture of occultism, charlatanism and true medicine. Few could question that he had outstanding intelligence and that he was gifted with unusual powers. This man of humble origin who, after leaving teaching and being practised as a lawyer, been a philosopher or a priest. Yet, at the age of 26, in 1760 he embarked on a six-year medical course at the University of Vienna.

For a while he practised orthodox medicine but soon discovered his hypnotic powers, and set up a clinic in Vienna. Despite his remarkably advanced scientific views, he began to indulge in practices which were cited fear in staid circles. They levelled not unfounded charges of occultism and charlatanism at him. Eventually, even his friend the great Mozart could not prevent his expulsion from Vienna. Settling in Paris, he lost no time in setting up again. Many of his notions were scores of years ahead of his time, but his penchant for quarrelling with all and sundry plus his somewhat odious appeal to wealthy neurotics, which was obtained by the old mixture of hypnotism and medical skill, allowed to his money-making showmanship, ensured that his career, which ended with his death shortly before Waterloo, was always tumultuous and uneven.

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Yorkshire Literary Awards 1975-76
The Yorkshire Arts Association continues to offer two biennial Literary Awards, each worth £1,000, for writers of poetry, drama, novels or non-fiction, having strong literary connections with Yorkshire. One award will be for a new writer (with one book or substantial publication in pamphlets or magazines to show); the other will also be open to new writers, but more established authors (with one or more published books) will also be eligible. Entry forms from Michael Dawson, The Director, Yorkshire Arts Association, Glyde House, Glydegate, Bradford, Yorkshire BD5 0BQ.

U.K. ECONOMIC INDICATORS

	1976			1975		
General	Aug.	June	June	Aug.	June	June
Unemployment ('000s)	1,501.9	1,463.4	1,332.6	1,580.3	1,687.8	1,687.8
Unfilled vacancies ('000s)	128.0	129.1	127.0	138.4	145.3	145.3

	1976			1975		
July	June	May	July	June	May	July
Currency reserves (£bn.)	5,376	5,312	5,423	6,259	6,198	6,198
Basic materials (1970=100)	381.2	389.6	392.0	333.2	327.7	327.7
Manufactures (1970=100)	121.0	121.1	121.2	119.7	119.7	119.7
Bank advances (£bn.)	15,513	14,488	14,309	14,355	13,646	13,646
Wage rates (July 1972=100)	215.9	214.0	209.4	185.6	181.4	181.4
Retail prices (Jan. 1974=100)	156.3	156.0	155.2	138.5	137.1	137.1

	1976			1975		
June	May	Apr.	June	May	Apr.	June
Terms of trade (1970=100)	79.9	79.6	80.2	81.4	80.9	80.9
Retail sales vol. (1970=100)	183.2	182.1	185.7	172.2	168.9	168.9
H.P. debt (£bn.)	2,263	2,259	2,239	2,266	2,264	2,264
Industrial output (1970=100)	100.9	103.4	102.1	99.5	99.1	99.1

	1976			1975		
July	June	Jan.	July	June	Jan.	July
Trade and industry	2,481	2,403	2,195	1,926	1,783	1,783
Imports fob (£bn.)	1,587	1,593	1,914	1,563	1,519	1,519
Exports fob (£bn.)	0,524	0,264	0,285	0,363	0,264	0,264
Visible trade balance (£bn.)	367.1	438.4	432.6	362.2	400.4	400.4
Cars ('000s)*	133	109	117	127.7	125.5	125.5
Commercial vehicles ('000s)*	23.2	22.1	22.1	27.5	23.3	23.3
TV sets ('000s)†	196	183	185.4	194	224	224
Radio, radiograms ('000s)†	30.3	30.3	30.3	34.5	376	376
Houses completed ('000s)†	26.5	26.5	25.7	26.9	24.7	24.7

	1976			1975		
June	May	Jan.	June	May	Jan.	June
Hosiery (1970=100)**	81	88	86.6	112	101	101
Man-made fibres (m. kn.)*	51.78	52.57	52.8	47.0	46.31	46.31
Bricks ('millions)†	497	446	439	418	411	411
Cement, weekly average ('000 tonnes)	339	355	311	355	329	329
Furniture (1970=100)**	126	157	151.3	160	154.3	154.3
Petrol (m. tonnes)†	6,020	7,052	7,120	6,222	7,315	7,315
Electric cookers ('000s)†	106.7	74.1	80.1	63.2	74.9	74.9
Washing machines ('000s)†	58.4	55.0	72.9	69.5	89.9	89.9

	1976			1975		
June	May	Jan.	June	May	Jan.	June
Raw cotton, weekly average ('000 metric tonnes)†	1.91	2.70	2.33	2.00	2.05	2.05
Engineering orders on hand (1970=100)**	92	94	94.8	117	120.5	120.5
Raw wools (m. kilos)†	10.4	11.4	10.4	9.6	9.2	9.2

	1976			1975		
Mar.	Feb.	Jan.	Mar.	Mar.	Mar.	Mar.
Machine tools (£m.)†	34.6	27.3	28.3	30.3	25.2	25.2

	1976			1975		
2nd qtr.	1st qtr.	2nd qtr.	1st qtr.	2nd qtr.	1st qtr.	2nd qtr.
Consumer spending (£bn. 1970 values)	8,875	8,912	8,839	8,841	35,413	35,413
Motor Trade Turnover (1972=100)	177	166	148	137	143	143

	1976			1975		
1st qtr.	4th qtr.	1st qtr.	Year	1st qtr.	Year	Year
Building and civil engineering (£bn.)	3,018	2,998	2,644	11,510	10,220	10,220

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‡‡ Excluding car radios. §§ Deliveries, U.K. made and imported sets. ¶ From May, 1975, onwards new basis of calculation refers to advances to U.K. public and private sector. Historic figures on new basis not available. ††† Prices. ‡‡‡ Including cooker griller toasters. § Value of output. ¶ Unfed Kingdom, not seasonally adjusted. § First preliminary estimate. ¶ Provisional figure.

In short—PM's wives and Parliament

The Wives of Downing Street by Kirsty McLeod. Collins, £5.95, 224 pages.

Kirsty McLeod's *The Wives of Downing Street* is a pleasant, if trivial, social commentary, full of amusing anecdotes about the personal lives of her subjects and their husbands. Lady Chatham and Lady Peel were the most self-effacing of the wives, providing a bedrock of love and stability to soften the vicissitudes of their husbands' careers. Lady Russell and Margaret Lloyd George were in different ways rather uncomfortable partners. Lady Palmerston and Mrs. Gladstone were characters in their own right, while Mrs. Disraeli and Mrs. Asquith were notable eccentrics.

The only two who were social assets were Lady Palmerston and Margaret Asquith, who both employed "the technique of the salon" to further their husbands' careers. Julia Peel and Margaret Lloyd George were really only happy in the country. Mrs. Disraeli could be a liability. On one occasion when conversing with some ladies on the subject of Grecian statues she remarked, "Oh, but you ought to see my Dizzy in his bath!" Fanny Russell with her tendency to serve up frugal nursery food and too many of her own relations when entertaining was a positive disadvantage. Mrs. Gladstone and Lady Chatham were too wrapped up in their own families to spend much time socialising.

In her effort to fit her eight political wives into a theme—"woman's role in the history of the British Premiership"—the author has tended to distort her material and even to contradict herself. What these wives had in common was devotion to their husbands. It was a mistake for the author to strive for more meaningful comparisons.

JULIA DOBSON
Essays in English History by A. J. P. Taylor. Hamish Hamilton, £6.50, Pelican, 55p (soft back). 335 pages.

Besides juvenilia there should be a recognised category of transitional—transitory pieces that authors compose as book reviews, magazine articles or lectures. Most of the 31 pieces in this book began life in that way so to call them essays is really misleading. Also most of them have been published before in various volumes published by the same hard-back publisher.

But with those qualifications A. J. P. Taylor is nearly always a good read—often a very good read—and the fact that the pieces are of uneven weight and style betrays their origins. There are

solid pieces on Lloyd George and on politics in the First World War, perceptive remarks about Northcliffe and Cessmire, along with one or two pieces that might perhaps have been better left in transit.

It is then the sort of book which makes an ideal travelling companion for the serious reader and it contains one typical Taylorism in a note added to his essay "Prelude to Fashoda: the Question of the Upper Nile 1894-95." Taylor remarks that "the essay contains my only discovery of some thing previously unknown, the Anglo-Congolese Agreement of April 12, 1894, soon to be superseded by a similar agreement on May 12, 1894."

It is that finely judged irony applied equally to others and to himself that gives to so much of Taylor's prose its distinctive cutting edge and lends such style to his often provocative judgments.

REX WINSBURY
The Houses of Parliament edited by M. H. Port. Yale University Press, £14.50, 350 pages.

Appropriately enough the frontispiece to this exhaustive account of the design and building of the New Palace of Westminster is a piece of Gothic Lily wallpaper, designed by Pugin and hand printed from the original wood blocks.

Fat knight

BY ROBIN LANE FOX

Falstaff by Robert Nye. Hamish Hamilton, £3.95, 450 pages

Fiction which develops another man's action stands a slim chance of getting off the ground. It is too tied to cleverness, to a clever idea that Flashman or Rosencrantz could be developed beyond their conception and to a clever allusion to the books and characters which stand behind it. But I cannot see that it is impudent to an original still less that it is likely to be more successful if it is restricted to enlargements of some minor character or some incidental theme. Why are our fictional masterpieces any more sacrosanct than unsigned myths or legends? If Helen continues to be interpreted again and again after Homer, why do we fight shy of another shot at Hamlet?

Robert Nye is a poet, novelist and critic of three different genres in three different newspapers. In Falstaff, he has given us a most extraordinary book. The Shakespearean character is upstaged and made to tell his full life's memoirs. One hundred incidents from a grotesque birth to an unreadable last testament are related, sketched or punctured in a mock-heroic style.

Bardolph tells the story of his birth and throws new light on the origins of that bescon of a nose, Mistress Quickly gets more than a word in edgeways. There are battles in France and an ambush at Gadshill. Desdemona is the name of a rat, Ophelia hides a nice line in sexual expertise. One moment we are courting through a praise of May Day, the next through a gigantic menu or through Falstaff's reflections on his soul. The book would stand up, just, to a reader who knew nothing more about Falstaff or Shakespeare than that the one was fat and featured comically and tragically in plays by the other. In that alone is enough of an achievement. Remarkably, Robert Nye has

also found and held a style. He takes the only sound option, a monologue by Falstaff himself. Vigour and an exceptionally free torrent of language and detail are the book's unusual virtues. The blurb suggests that it is somehow a tapestry of the Middle Ages. I would say it was least bearable when it collapsed into patches of colour or the sort of blow-up of incident which script-writing has forced on historical fiction. When it rises above a bogus sense of period, it nearly takes off. The celebration of the body with an awareness, too, of the soul, the nature of the heroic, the gap between pretension and reality these are educated themes and false medievalism and are not snuffed out by a rich undercurrent of sex.

Of course, the idea is almost impossibly bold, and I am bound to conclude that it results in an ambitious failure. Perhaps a dramatic character is only to be re-staged in a drama.

Crimes
Murder out of Commission by R. B. Dominie. Marmillan, £3.25, 219 pages

R. B. Dominie is really Emma Lathen, who is really two American ladies. Very busy ladies, since they now are running two series of books contemporaneously: the Lathen tales of high banking circles, and now these Dominic chronicles of intrigue and crime in Washington and elsewhere. Here the protagonist is Congressman Benton Safford from Ohio, and his problem this time is a nuclear generator, about to be set up in his district. The project unleashes all kinds of passions (except sex, seldom more about Falstaff or Shakespeare than that the one was fat and featured comically and tragically in plays by the other. In that alone is enough of an achievement. Remarkably, Robert Nye has

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Interviews of suitable candidates shall be held in the U.K. during the month of October or November and the persons concerned shall be advised accordingly.

Corporate Finance—Banking

INTERNATIONAL ENERGY BANK LIMITED

now wishes to appoint an experienced banker to assist in the development of its interests in the petroleum sector.

This important new senior management position requires sound knowledge of the euro-currency markets, combined with ability to structure and negotiate complex financing packages. Familiarity with the petroleum industry would be an advantage.

Please write enclosing a curriculum vitae in complete confidence to:- P. H. P. de Pelet, Assistant General Manager, International Energy Bank Ltd., 100 Old Broad Street, London EC2M 1BE.

Mervyn Hughes Group

59 St. Mary Axe, London, EC3A 8AR

Management Recruitment Consultants

01-283 0037
(24 hours)

Director of Administration (Finance)

c. £9,000 + car

Herts/London Border

A leading British company operating internationally wish to appoint a Director of Administration for their European region. The prime responsibility will be for the accounting performance of the region including the preparation and interpretation of area and subsidiary accounts. There is a need to improve the flow of financial and marketing information and a knowledge of computerised systems is essential.

The appointment entails frequent visits to European companies and a working knowledge of at least two major European languages (ideally German and Italian) is required. Applicants should be qualified accountants aged 35 or over, with wide commercial experience gained in a European environment. The remuneration package consists of a salary negotiable around £9,000 p.a., a car and non-contributory pension. Relocation expenses will be met.

Please telephone B. L. Taylor (quoting reference A5731) for a Personal History Form which will be treated with the strictest confidence.

European Controller Hertfordshire-based c£9500

The company manufactures, world-wide, electro-mechanical equipment and systems with large related parts inventories. The company is strong in marketing but in Europe the accounting systems need to be developed and re-organised. Hence the decision to appoint a European Controller who will report to the Chief Financial Officer in the United States.

To begin with the Controller will spend in excess of half his/her time in Germany, France and Belgium devising and installing relevant management information and reporting systems. Once these are achieved the emphasis will change and the job holder will return to Hertfordshire to assume control of the finance function in Europe.

The specification calls for a qualified accountant, preferably CA/CMA, aged about 35 with broad-based experience of financial management. Preferably this will have been acquired in a marketing orientated manufacturing company. Fluency in German is necessary; a knowledge of French is desirable.

The salary indicator is £9500.

For a description of this job and an application form please write, in confidence, to David Prosser, Price Waterhouse Associates, 32 London Bridge Street, London SE1 9SY referring to M/C/3538.

MERCHANT BANK—PARIS

requires

EEC NATIONAL, PREFERABLY WITH SOME EXPERIENCE IN THE DOCUMENTATION AND ADMINISTRATION OF EURO CURRENCY LOANS

Good command of the English language (spoken and written) is a prerequisite as is fluency in spoken French.

The appointment will be to the Syndication Department of the Paris headquarters of the Bank and carries a starting salary of Frs 40,000 together with attractive fringe benefits.

Candidates, male or female and preferably in their twenties should send letters of application with their curriculum vitae to: Box F 448, Financial Times, 10, Cannon Street, EC4P 4BY.

Small but expanding MERCHANT BANK seeks key personnel:

1. LOANS ADMINISTRATOR experienced in citing security, handling loan documentation, originating accounting entries, etc.
2. CREDIT ANALYST, experienced, U.S. Bank training preferred. Good salary plus benefits.

Ring 01-283 3122. Ext. 264.

INSTITUTIONAL INVESTMENT SALESMAN/WOMAN

required. Must have top-flight following among European financial institutions to market existing new financial products. Top compensation.

Please send resume to:

The Penhouse,

66, Park Street, London, W1Y 3HP.

EUROPEAN DIRECTOR OF LEGAL PLANNING

Small (%10 million per year) rapidly growing, multi-national, research and analysis company seeks an outstanding corporate legal and financial executive to structure and implement legal and financial plans, systems and procedures for corporate growth. The successful applicant will be:

- an attorney also knowledgeable about accounting matters;
- knowledgeable and experienced with respect to international tax planning, controversies and compliance, including income taxes, employment taxes and VAT;
- knowledgeable about licensing arrangements and compliance with various governmental requirements;
- business and profit oriented;
- analytical and inventive.

Compensation will be competitive for such a highly qualified executive.

The position is located in the Netherlands.

Caci is a well managed publicly-owned company with first class incentive and professional environment. We have offices in 12 cities in five countries. Our growth has averaged 50 per cent per year for our entire 14-year history.

Send confidential resume and detailed salary history to:

Clyde L. Kirtley, Tax Counsel,
CACI, INC.
1815 North Fort Myer Drive,
Arlington, Virginia 22209, USA.

Reed Executive

The leading authority on the selection of financial management.

Managing Director

Birmingham

to £20,000 + car

For this new and demanding position we are seeking candidates of considerable entrepreneurial skill. The company is a subsidiary of a substantial International Group and it is now being dramatically expanded with the support of considerable financial backing. Involved in importing, exporting, and general confirming house business, the base is Birmingham but the area of operation will be world wide. Applicants should preferably be French speaking and under 45, able to substantiate a successful career to date, and to show ambition and enthusiasm for the future. An excellent opportunity exists to create a highly successful business with appropriate rewards.

Telephone 021-643 7226 (24 hr. service) quoting Ref: 1107/FT. Reed Executive, The Rotunda, Birmingham B2 4PA.

London Birmingham Manchester Leeds Edinburgh Nottingham Paris

PUBLIC RELATIONS EXECUTIVE

Public company, with interests in the fields of broadcasting and leisure, wishes to appoint an experienced executive to co-ordinate the public relations, advertising and promotional activities of the group and its subsidiaries.

This is an important and interesting post—with direct responsibility to the Chairman. London based. Salary negotiable around £7500 plus car and pension.

Write Box A.5683, Financial Times, 10 Cannon Street, EC4P 4BY.

Chief Accountant

Nigeria

c. £20,000

+ car

For a rapidly expanding construction company, forming part of a highly diversified trading group with an annual turnover approaching £100 million.

Based in Benin, the chief accountant will be responsible to the group financial director for all accounting and associated activities.

An attractive remuneration package will include free housing, six weeks home leave and education allowances.

Candidates, ideally 30 to 40, must be qualified accountants. Experience with a contracting company or in a developing country would be an advantage.

Write in confidence, quoting reference: 2453/L to: E. W. Cornford,

Peat, Marwick, Mitchell & Co.,
Management Consultants,
11 Ironmonger Lane,
London EC2V 8AX.

ACCOUNTANCY AND GENERAL APPOINTMENTS

PHILLIPS & DREW STOCKBROKERS

Pension Fund Management

Phillips & Drew has an interesting vacancy in their Pension Fund Management Department for a young man or woman to work on portfolio performance measurement.

He or she would be joining a small section to work on a comparatively new and interesting type of work that would best suit a person with a facility for figure work and an ability to write and think clearly. The most suitable age range is 20 to 25 with education preferably to at least "A" level standard in mathematics. The position could appeal to an actuarial student. There are excellent prospects for advancement. There is a bonus scheme, pension fund and other benefits.

Write, giving brief details, to:-

Staff Manager,
PHILLIPS & DREW,
Lee House, London Wall, London, EC2Y 5AP.

COMPUTER PROFESSIONALS

One of Indonesia's most progressive companies is seeking experienced computer professionals to join its system support team and work with the new ICL 2903 Series Computer in Jakarta.

The persons we are seeking must have at least five years experience in some or all of the following:

- SYSTEMS ANALYSIS
- SYSTEMS PROGRAMMING
- HARDWARE SALES
- ENGINEERING

Previous experience with ICL equipment is most important and preference will be given to applicants who possess it.

Salary is generous and will be commensurate with experience. Additional benefits (taxation paid by company, transport and housing allowances) go with the position. Previous overseas experience desirable. Applicants should send resume of qualifications and experience to:

PAE/RMI REPRESENTATIVE OFFICE
Suite 1712 Shaw Centre
Scotts Road SINGAPORE 9.

CITY BANK

Assistant to Director/ Company Secretary

Applicants, male or female, must be fully experienced in all company secretarial matters.

Salary £3,500.

Non-contributory Pension Scheme.

Write with full details of experience, etc., to:

Box FT/419

c/o Hanway House,

Clark's Place,

London, EC2N 4B5

U.K. Refiner, Trader and Distributor of Edible Oils and Fats has immediate vacancy for a Trader on site over existing business and develop in line with planned company expansion. This is an exciting, demanding and rewarding opportunity for the right person who must be experienced and energetic. Salary and commission by negotiation, plus car, non-contributory pension scheme, etc.

Contact:

The Managing Director,

THE BRITANNIA REFINING CO. LTD.

Metcalfe House, Tooley St.,

London SE1 2NL

Tel 01-407 3155

APPOINTMENTS WANTED

QUALIFIED ACCOUNTANT/SENIOR with 10 years experience in all aspects of internal auditing, audit, full or part time position. Tel. 01-407 1500.

LEGAL NOTICES

No. 00023 of 1978

In the HIGH COURT OF JUSTICE

Chancery Division Companies Court. In

the Matter of GLENLOCK PRESS

LIMITED and in the Matter of The

Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a

Petition for the Winding up of the above

named Company by the High Court of

Justice was on the 24th day of August,

1978, presented to the said Court by

T. A. GRIFFIN & CO., LIMITED,

whose registered office is at Fairfax

House, Fulwood Place, London, WC1V

6PW, and that the said Petition is

directed to be heard before the Court

sitting at the Royal Courts of Justice,

Strand, London, WC2A 2LL, on the 19th

day of October, 1978, and any creditor

or contributory of the said Company

desiring to support or oppose the making

of an Order on the said Petition must

appear at the time of hearing. In person

or by his counsel, for that purpose and

a copy of the Petition will be furnished

to the undersigned on any creditor or

contributory requiring such copy on payment of the

regulated charge for the same.

W. M. P. PRIOR & CO.,

25/25, Fleet Street,

London, E.C.4.

Reference: 19/4018.

Solicitors for the Petitioner.

NOTES—Any person who intends to

appear on the hearing of the said

Petition must serve on, or send by post

to, the above-named notice in writing of

his intention so to do, the notice must

state the name and address of the

person, or, if a firm, the name and

address of the firm and must be signed

by the person or firm, or his or their

collector (if any) and must be served

in person, or sent by post, on the

undersigned on or before the day

immediately preceding the day of the

hearing of the Petition, and must be

accompanied by a copy of the Petition

and a copy of the notice of the hearing

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Nationalised Board ready to delegate says Lord Beswick

BY JAMES McDONALD

before the turn of the century. But there were many technical advances now in hand or contemplated that could be incorporated into current and derivative aircraft.

Advances

He discussed some of these advances including active controls, composite engine improvements and high-aspect ratio wings—and their effect upon such performance factors as fuel consumption.

M. Bernard Lathiere, president and chief executive of Airbus Industrie, told the conference that his company was open to aid from new partners in designing variations of the A-300 Airbus. "That is why we are discussing with British industry a British comeback to the project."

But 90 per cent. of the company's effort was being directed towards selling the present B2 and B4 types of the Airbus, he added.

Although Airbus Industrie was not with the present General Electric Airbus engine, it would be open to using Pratt and Whitney or Rolls-Royce (1971) designs if airlines wanted them.

Sir Denis Spotswood, vice-chairman of Rolls-Royce (1971),

commenting on what he called the "bogy" of a big new top-

heavy bureaucracy, Lord Beswick said: "That can be dismissed."

The number of new people who will come in from outside the industry is unlikely to reach double figures. We have talent enough within the present ranks.

"There will be no new expensive headquarters buildings. We have property enough already."

He added: "We shall have to top a non-functional board capable of deciding strategy, able to monitor performance, but determined to delegate, as far as efficiency permits decision-making down the line."

Lord Beswick made the proclamation: "We recognise that the days of generous Governmental aid are over. We shall ask for, and expect to get, from our Governmental banker adequate investment for projects which can sensibly be expected to yield a return."

Prohibitive

Mr. L. O. Kitchen, president of Lockheed Aircraft Corporation, said that the remaining decades of the 20th century would probably be characterised by economic constraints, resulting from such factors as inflation, the search for new energy sources, material shortages, and the need to meet rising environmental standards. Those constraints would make for "continuing capital formation problems."

The effect on U.S. commercial aircraft manufacturers would be to place increased emphasis on the incremental improvement of existing and derivative wide-bodied aircraft "rather than to follow the prohibitively costly route of developing new aircraft."

There were, he said, no technical breakthroughs on the immediate horizon that would make wide-body aircraft obsolete

accuracy and flexibility which the Global Positioning satellite system offers, it would appear that there will be significant civilian applications in the 1980's for precision air traffic control and even for private users in small boats or airplanes."

The rotary wing-helicopter business was a very exciting sector of the aerospace industry, said Mr. Gerald J. Tobias, president of Sikorsky Aircraft. "We can see the development of the helicopter industry progressing towards maturity and we can pace this progress against events occurring in the fixed-wing aircraft industry about 30 years ago."

Threshold

"All reasonable models indicate that we are, at present, on the threshold of the helicopter industry establishing a new level of world-wide acceptance."

In one of a number of provocative speeches which led to considerable discussion during the day, Dr. G. C. Klapwijk, chairman of the Executive Board of VFW-Fokker, the German-Dutch group—said he did not believe the formation of large national aircraft manufacturing groups would be helpful.

"I fear they may instead contribute to the nationalism which is already proving such an obstacle in Europe-to-day."

"We are coming up to perhaps the most critical period in our history. If we do not succeed in obtaining a substantial share of the airline re-equipment orders which are imminent, the term 'scientist' is about time we stopped talking quite so much in public and diverted our vocal energy to talking more effectively in political and associated circles."

Lord Boyd-Carpenter, chairman of the Civil Aviation Authority, was the guest speaker at the conference lunch.

FINANCIAL TIMES World Aerospace CONFERENCE

THE TURNOVER of the companies which will constitute the nationalised British Aerospace organisation exceeded £500m. in 1975, with an average for each of the previous five years (corrected to 1975 prices) of £500m., Lord Beswick, chairman of the organising committee for British Aerospace, said in London yesterday.

Speaking at the Financial Times two-day conference on World Aerospace, at the Hilton Hotel, he added: "The current order book is in the region of £1.5bn., and exports in 1975 represented over 50 per cent. of sales."

"This is the dowry which British Aerospace will inherit, and this is the proof of capacity which the U.K. will contribute to Europe."

There was no serious argument against the proposed re-structuring of the British aviation industry "but it would be absurd to pretend that there is no argument at all."

The argument, however, has been about ownership. Public ownership to some commentators on the contemporary scene has the effect of a red rag to a bull.

Commenting on what he called the "bogy" of a big new top-

heavy bureaucracy, Lord Beswick said: "That can be dismissed."

The number of new people who will come in from outside the industry is unlikely to reach double figures. We have talent enough within the present ranks.

"There will be no new expensive headquarters buildings. We have property enough already."

He added: "We shall have to top a non-functional board capable of deciding strategy, able to monitor performance, but determined to delegate, as far as efficiency permits decision-making down the line."

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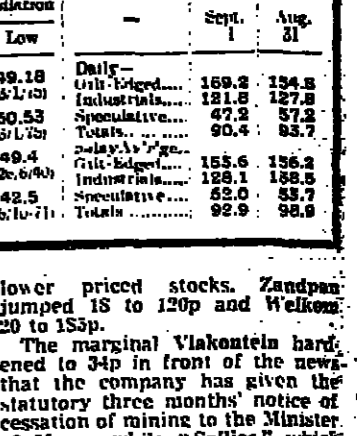
British Funds improve afresh but equities becalmed

Share index 0.3 up at 351.1—Late advance in Golds

18.28	18.06	18.28	18.05	18.58
5.09	8.20	8.11	8.20	7.66
3.779	3.984	4.551	5.299	5.453
55.32	58.97	58.29	56.44	48.00
8.408	9.762	10.802	12.060	12.323

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 1921

S.E. ACTIVITY



The better trend in Golds spilled over into Financials. GFSAs' earnings were up 6% from 1987, while the better-than-expected half-year results, Union Corporation's put on 10 to 1989. In the London-based Financials, GFSAs' earnings rose 38%, to \$14m, while Rio Tinto-Zinc closed unchanged on balance at 1989 after 1989. De Beers, which is to open up a new small, good grade, diamond mine in Botswana, was up 6% higher at 208p.

Platinums capped gains in sympathy with Golds. Coppers generally improved a few pence, with BHP's 208p, and Bwana RST similar amount better at 42p.

[illegible]

EQUITY GROUPS										Wednesday, September 1, 1976									
GROUPS & SUB-SECTIONS																			
Figures in parentheses show number of stocks per section.																			
	Index No.	Day's Change	Est. Foreign Corp. Price	Gross Yield %	Div. Rate	F. R. P. E. Corp. Price	Index No.	Day's Change	Est. Foreign Corp. Price	Gross Yield %	Div. Rate	F. R. P. E. Corp. Price	Index No.	Day's Change	Est. Foreign Corp. Price	Gross Yield %	Div. Rate	F. R. P. E. Corp. Price	Index No.
										1976									
										Simple				Computation					
										High		Low		High		Low			
1 CAPITAL GOODS (179)	131.03	-	19.18	7.08	7.85	7.75	151.06	132.47	133.86	132.85	117.60	160.06	131.03	206.37	50.17	12.14	14.70	14.70	14.70
2 Building Materials (30)	117.80	-0.1	18.05	7.93	8.36	8.36	117.80	118.87	121.30	119.46	102.92	150.18	117.80	235.04	44.87	12.14	14.70	14.70	14.70
3 Contracting, Construction (23)	175.25	-0.1	25.80	6.30	6.36	6.36	175.03	176.01	178.94	178.08	118.99	198.29	175.03	175.03	111.27	12.14	14.70	14.70	14.70
4 Electricals (16)	232.70	-	19.05	5.71	7.86	7.64	232.61	237.14	239.71	236.70	213.77	287.30	232.61	350.04	66.74	12.14	14.70	14.70	14.70
5 Engineering (Heavy) (13)	152.07	-0.6	25.57	6.12	5.83	5.73	151.91	155.77	154.13	150.01	141.82	158.18	150.01	202.57	94.46	12.14	14.70	14.70	14.70
6 Engineering (General) (64)	124.30	-0.1	19.08	7.27	7.77	7.76	124.44	125.15	126.00	125.34	100.47	139.29	124.30	164.59	42.44	12.14	14.70	14.70	14.70
7 Machine and Other Tools (9)	93.10	-0.6	19.22	8.54	8.22	8.20	93.56	95.84	94.20	94.21	40.41	60.62	93.10	136.70	19.59	12.14	14.70	14.70	14.70
8 Miscellaneous (24)	119.36	-	15.92	7.40	9.47	9.19	119.39	120.95	121.29	120.24	101.16	141.94	119.36	177.41	46.65	12.14	14.70	14.70	14.70
9 CONSUMER GOODS (DURABLE) (33)	112.32	+0.2	19.50	6.13	7.66	7.64	112.12	112.95	113.64	113.51	92.11	141.46	112.12	227.78	38.39	12.14	14.70	14.70	14.70
10 L. Electronics, Radio TV (15)	126.76	-0.5	18.66	7.48	7.95	7.93	126.12	121.69	123.85	123.50	111.10	150.35	126.76	287.41	45.59	12.14	14.70	14.70	14.70
11 Household Goods (13)	142.60	-0.1	20.34	8.58	7.49	7.46	142.76	143.61	143.78	143.51	136.01	167.32	142.60	262.28	12.76	12.14	14.70	14.70	14.70
12 Moins and Distributors (25)	73.40	-0.2	20.67	7.25	7.35	7.32	73.56	73.56	74.23	73.59	46.64	85.16	70.05	170.59	19.91	12.14	14.70	14.70	14.70
13 CONSUMER GOODS (NON-DURABLE) (168)	135.64	-0.5	15.42	7.15	9.21	9.12	132.79	133.44	134.83	133.58	151.79	169.24	132.98	226.08	61.41	12.14	14.70	14.70	14.70
14 Breweries (15)	150.46	-1.8	15.69	2.57	9.34	9.34	147.94	147.69	150.55	146.33	150.06	169.24	147.69	381.45	13.74	12.14	14.70	14.70	14.70
15 Wines and Spirits (7)	147.31	-1.1	16.07	7.44	9.36	9.36	145.67	145.61	147.88	144.44	133.41	180.67	144.44	287.40	76.71	12.14	14.70	14.70	14.70
16 Entertainment, Catering (14)	159.24	+1.1	15.37	8.36	10.04	9.95	157.97	159.25	161.03	156.98	151.84	211.26	157.97	339.99	54.87	12.14	14.70	14.70	14.70
17 Food Manufacturing (23)	148.05	-0.6	18.02	5.96	8.44	8.38	147.49	147.35	148.87	147.34	143.51	181.44	147.35	316.12	59.79	12.14	14.70	14.70	14.70
18 Food Retailing (16)	124.20	+0.5	14.17	6.50	10.27	10.27	123.56	124.95	125.77	125.24	134.89	150.09	123.56	235.66	66.25	12.14	14.70	14.70	14.70
19 Newspapers, Publishing (16)	168.49	-0.1	14.35	6.18	10.57	10.57	168.67	169.98	171.43	170.78	130.44	194.34	167.01	250.29	55.08	12.14	14.70	14.70	14.70
20 Packaging and Paper (12)	91.49	-0.4	17.77	8.29	8.66	8.66	91.16	92.86	92.90	92.81	87.41	112.50	91.16	136.79	65.46	12.14	14.70	14.70	14.70
21 Stores (34)	110.16	-0.6	13.86	6.36	11.11	11.09	109.50	109.85	110.60	110.08	114.60	126.24	109.50	167.90	61.70	12.14	14.70	14.70	14.70
22 Textiles (3)	131.09	-0.1	14.02	8.77	10.78	9.52	131.01	131.70	132.85	130.89	134.74	183.19	130.89	253.72	68.66	12.14	14.70	14.70	14.70
23 Tobacco (13)	109.49	-0.7	21.97	6.66	7.77	7.77	200.84	201.39	203.85	202.52	189.10	241.89	200.84	359.16	94.54	12.14	14.70	14.70	14.70
24 Toys and Games (8)	70.51	+0.3	21.45	8.51	6.24	6.21	69.98	70.76	70.81	70.81	47.47	80.25	70.51	125.72	13.62	12.14	14.70	14.70	14.70
OTHER GROUPS (96)																			
25 Chemicals (26)	193.08	+0.4	14.38	5.89	10.43	10.43	192.31	193.64	195.92	193.58	169.84	231.38	192.31	321.58	71.20	12.14	14.70	14.70	14.70
26 Office Equipment (9)	81.10	-0.1	14.84	6.49	9.85	9.85	81.03	81.26	82.32	81.30	80.79	129.25	81.03	181.70	61.07	12.14	14.70	14.70	14.70
27 Shipping (12)	358.99	-0.1	13.87	7.17	10.46	9.51	359.27	360.97	362.30	356.85	338.29	428.64	358.99	517.00	67.90	12.14	14.70	14.70	14.70
28 Miscellaneous (48)	140.00	-0.2	15.74	8.19	9.48	9.46	139.56	141.03	142.84	141.94	136.75	172.98	139.56	256.83	60.39	12.14	14.70	14.70	14.70

comment drew buyers' attention to English China Clays and Coral Leisure, both of which closed 2 at 72p and 96p respectively. Comment on the first-half figures helped Baxter Fell rally 3 at 91p, and while Development Securities found support at 38pp, up 4, Barlow Rand improved 9 to 14pp and A. Kershaw put on 14 to 35pp in a thin market. By way of contrast, United Industrial eased a shade to a 1976 low of 44p after an adverse comment, while losses of

4. A mixed trend was again evident in Overseas Traders after a small trade. Steel Bros. were dull spot at 196p, down 7, and S. W. Beristord cheapened 2 to 140p. Investment Trusts passed a quiet session with the closing trend being narrowly mixed. Small selling in a market lacking support left Cumulus 2 down at two-year low of 12p, while Estates 2195 and 2115 respectively, in the

ACTIVE STOCKS

Stock	Denomina- tion	No. marks	Closing price (p)	Change on day	1976 high	1976 low
Bats Defd.	25p	13	200	-	225	200
ICI	1	325	-	402	323	
Midland Bank	1	830	+ 2	320	243	
EMI	50	363	- 2	635	357	
EM	1	199	-	277	196	
Marks & Spencer	25p	7	94	-	108	88
NalWest "New"	Full y. pd.	7	213	- 2	217	193
Reed Int'l "New"	Full y. pd.	7	232	+ 3	231	211
Shell Transport	25p	7	398	-	463	378
Woolworth	1	384	- 3	634	383	
Barclays Bank	1	6	242	+ 2	330	223
Cons. Gold Fields	50	6	138	+ 3	220	123
Distillers	50p	6	1164	+ 1	138	116
Lanrho	25p	6	161	-	109	61
Beecham	25p	5	332	-	390	332

The above list of active stocks is based on a number of bargains recorded yesterday in the Official list under Page 153(1) (c).

Option Report — 3-month Call Rates

Option	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle	Settle
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[illegible]

COMMODITY GROUPS (Not included in 300 or All-Share indices)																
44	Rubbers (9) ...	450.10	-0.2	10.30	6.23	14.32	13.01	451.20	452.05	455.84	455.54	408.92	525.40	404.67	55.73	94.68
45	Teas (8) ...	133.93	-0.8	30.23	9.50	4.39	4.27	134.97	135.51	136.03	136.36	100.51	126.00	141.1	25.72	18.86
46	Coppers (3) ...	195.22	-1	50.62	8.90	1.98	1.98	187.50	184.25	185.10	180.45	376.65	401.47	377.60	567.76	94.08
47	Mining Finance (11) ...	85.92	-1.5	12.14	9.63	9.27	9.20	84.66	85.25	86.05	85.89	117.19	117.77	85.98	175.90	65.31
48	Tins (9) ...	103.25	...	19.51	9.72	9.90	9.90	103.26	105.37	106.05	106.30	94.70	104.14	95.09	125.43	54.32
49	Overseas Traders (13) ...	202.46	-1.1	17.27	4.96	7.77	7.76	200.20	201.26	202.95	200.80	309.72	254.47	200.30	254.47	97.37

Bank of England Minimum Lending Rate 1½ per cent (since May 21, 1976)	Day-to-day credit was in good supply again in the London money market yesterday and the authorities absorbed surplus funds in the market by a small number of Treasury bills to the discount	bills to finance, but this was outweighed by an excess of Government disbursements over revenue payments to the Exchequer, and surplus balances carried over by the banks.	Discount houses paid 10-102 per cent on secured call money in the interbank market	In the interbank market overnight loans offered at 101-103 per cent and eased to around 100 per cent during the morning, before falling 1½ per cent, after lunch and closing 104-105 per cent.	Short-term fixed period interest rates were slightly easier in
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Portman Guaranty	94½
P. S. Refson & Co.	94½
Rossmore Acceptors	10½
Schlesinger Limited	11½
E. S. Schwab	12½
Security Trust Co. Ltd.	12½
Shenley Trust Co.	12½
Standard Chartered	10½
Trade Development Bk.	10½
twentieth Century Bk.	12½
United Bank 10-11½ per cent	10½
Whiteaway Ltd	11½
Williams & Glyn's	10½

FIXED INTEREST										1946 completion				Rates in the table below are nominal in some cases.						
		Wednesday, Sept. 12	Thursday, Sept. 13	Friday, Sept. 14	Saturday, Sept. 15	Sunday, Sept. 16	Monday, Sept. 17	Tuesday, Sept. 18	Wednesday, Sept. 19	Thursday, Sept. 20	Friday, Sept. 21	Saturday, Sept. 22	Sunday, Sept. 23	Monday, Sept. 24	Tuesday, Sept. 25	Wednesday, Sept. 26	Thursday, Sept. 27	Friday, Sept. 28	Saturday, Sept. 29	Sunday, Sept. 30
		Inter-est	Yield	Inter-est	Yield	Inter-est	Yield	Inter-est	Yield	Inter-est	Yield	Inter-est	Yield	Inter-est	Yield	Inter-est	Yield	Inter-est	Yield	Inter-est
1	Consols 2 1/4% yield ...	14.10	14.20	14.18	14.27	14.27	14.26	14.15	14.04	13.91										
2	20-yr. Govt. Stocks (8) ...	48.22	13.88	47.96	47.98	47.81	47.71	47.94	48.41	51.00	53.83	47.56	115.42	35.27	115.41	115.43	115.43	115.43	115.43	115.43
3	20-yr. Govt. Deb. & Loans (13)	49.39	14.95	49.42	49.56	49.66	49.66	49.80	49.91	50.39	52.40	46.68	114.43	37.01	114.43	114.43	114.43	114.43	114.43	114.43
4	Investment Trust Prefrs. (15)	48.03	14.15	48.95	48.20	49.20	49.16	49.16	49.16	49.09	51.93	45.43	114.41	34.45	114.41	114.41	114.41	114.41	114.41	114.41
5	Coml. & Indl. Prefrs. (20) ...	60.10	13.60	60.10	60.07	60.17	60.15	60.21	60.56	63.57	58.29	47.16	114.41	34.45	114.41	114.41	114.41	114.41	114.41	114.41

houses. There was a fairly large balance between the taken at 91-101 per cent market take-up of Treasury cert.

Yorkshire Bank ... 101%
■ Numbers of the Acceptance House Committee
7-day deposits on 6 1/4% 1-month deposits on 6 1/2%
10% deposits on 6 1/4% and 10 1/2% deposits on 6 1/4% up to 223,000 7 1/2% and 223,000 7 1/2%
■ Demand deposits 6 1/4%
Call deposits over 6,000 6 1/4%

CORAL LINE

Close 345.352

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value	Share Indices is now available from the Publishers, the Financial Times, 100, Pall Mall, London, EC4A 3DF, price 15p. By post 20p.	Local currencies and finance houses seven days' notice, where seven days' fixed, 11 1/2 per cent. 12 months, 12 1/2 per cent. 18 months, 13 1/2 per cent. 24 months, 14 1/2 per cent. 36 months, 15 1/2 per cent. 48 months, 16 1/2 per cent. 60 months, 17 1/2 per cent. 72 months, 18 1/2 per cent. 84 months, 19 1/2 per cent. 96 months, 20 1/2 per cent. 108 months, 21 1/2 per cent. 120 months, 22 1/2 per cent. 132 months, 23 1/2 per cent. 144 months, 24 1/2 per cent. 156 months, 25 1/2 per cent. 168 months, 26 1/2 per cent. 180 months, 27 1/2 per cent. 192 months, 28 1/2 per cent. 204 months, 29 1/2 per cent. 216 months, 30 1/2 per cent. 228 months, 31 1/2 per cent. 240 months, 32 1/2 per cent. 252 months, 33 1/2 per cent. 264 months, 34 1/2 per cent. 276 months, 35 1/2 per cent. 288 months, 36 1/2 per cent. 300 months, 37 1/2 per cent. 312 months, 38 1/2 per cent. 324 months, 39 1/2 per cent. 336 months, 40 1/2 per cent. 348 months, 41 1/2 per cent. 360 months, 42 1/2 per cent. 372 months, 43 1/2 per cent. 384 months, 44 1/2 per cent. 396 months, 45 1/2 per cent. 408 months, 46 1/2 per cent. 420 months, 47 1/2 per cent. 432 months, 48 1/2 per cent. 444 months, 49 1/2 per cent. 456 months, 50 1/2 per cent. 468 months, 51 1/2 per cent. 480 months, 52 1/2 per cent. 492 months, 53 1/2 per cent. 504 months, 54 1/2 per cent. 516 months, 55 1/2 per cent. 528 months, 56 1/2 per cent. 540 months, 57 1/2 per cent. 552 months, 58 1/2 per cent. 564 months, 59 1/2 per cent. 576 months, 60 1/2 per cent. 588 months, 61 1/2 per cent. 600 months, 62 1/2 per cent. 612 months, 63 1/2 per cent. 624 months, 64 1/2 per cent. 636 months, 65 1/2 per cent. 648 months, 66 1/2 per cent. 660 months, 67 1/2 per cent. 672 months, 68 1/2 per cent. 684 months, 69 1/2 per cent. 696 months, 70 1/2 per cent. 708 months, 71 1/2 per cent. 720 months, 72 1/2 per cent. 732 months, 73 1/2 per cent. 744 months, 74 1/2 per cent. 756 months, 75 1/2 per cent. 768 months, 76 1/2 per cent. 780 months, 77 1/2 per cent. 792 months, 78 1/2 per cent. 804 months, 79 1/2 per cent. 816 months, 80 1/2 per cent. 828 months, 81 1/2 per cent. 840 months, 82 1/2 per cent. 852 months, 83 1/2 per cent. 864 months, 84 1/2 per cent. 876 months, 85 1/2 per cent. 888 months, 86 1/2 per cent. 900 months, 87 1/2 per cent. 912 months, 88 1/2 per cent. 924 months, 89 1/2 per cent. 936 months, 90 1/2 per cent. 948 months, 91 1/2 per cent. 960 months, 92 1/2 per cent. 972 months, 93 1/2 per cent. 984 months, 94 1/2 per cent. 996 months, 95 1/2 per cent. 1008 months, 96 1/2 per cent. 1020 months, 97 1/2 per cent. 1032 months, 98 1/2 per cent. 1044 months, 99 1/2 per cent. 1056 months, 100 1/2 per cent. 1068 months, 101 1/2 per cent. 1080 months, 102 1/2 per cent. 1092 months, 103 1/2 per cent. 1104 months, 104 1/2 per cent. 1116 months, 105 1/2 per cent. 1128 months, 106 1/2 per cent. 1140 months, 107 1/2 per cent. 1152 months, 108 1/2 per cent. 1164 months, 109 1/2 per cent. 1176 months, 110 1/2 per cent. 1188 months, 111 1/2 per cent. 1200 months, 112 1/2 per cent. 1212 months, 113 1/2 per cent. 1224 months, 114 1/2 per cent. 1236 months, 115 1/2 per cent. 1248 months, 116 1/2 per cent. 1260 months, 117 1/2 per cent. 1272 months, 118 1/2 per cent. 1284 months, 119 1/2 per cent. 1296 months, 120 1/2 per cent. 1308 months, 121 1/2 per cent. 1320 months, 122 1/2 per cent. 1332 months, 123 1/2 per cent. 1344 months, 124 1/2 per cent. 1356 months, 125 1/2 per cent. 1368 months, 126 1/2 per cent. 1380 months, 127 1/2 per cent. 1392 months, 128 1/2 per cent. 1404 months, 129 1/2 per cent. 1416 months, 130 1/2 per cent. 1428 months, 131 1/2 per cent. 1440 months, 132 1/2 per cent. 1452 months, 133 1/2 per cent. 1464 months, 134 1/2 per cent. 1476 months, 135 1/2 per cent. 1488 months, 136 1/2 per cent. 1500 months, 137 1/2 per cent. 1512 months, 138 1/2 per cent. 1524 months, 139 1/2 per cent. 1536 months, 140 1/2 per cent. 1548 months, 141 1/2 per cent. 1560 months, 142 1/2 per cent. 1572 months, 143 1/2 per cent. 1584 months, 144 1/2 per cent. 1596 months, 145 1/2 per cent. 1608 months, 146 1/2 per cent. 1620 months, 147 1/2 per cent. 1632 months, 148 1/2 per cent. 1644 months, 149 1/2 per cent. 1656 months, 150 1/2 per cent. 1668 months, 151 1/2 per cent. 1680 months, 152 1/2 per cent. 1692 months, 153 1/2 per cent. 1704 months, 154 1/2 per cent. 1716 months, 155 1/2 per cent. 1728 months, 156 1/2 per cent. 1740 months, 157 1/2 per cent. 1752 months, 158 1/2 per cent. 1764 months, 159 1/2 per cent. 1776 months, 160 1/2 per cent. 1788 months, 161 1/2 per cent. 1800 months, 162 1/2 per cent. 1812 months, 163 1/2 per cent. 1824 months, 164 1/2 per cent. 1836 months, 165 1/2 per cent. 1848 months, 166 1/2 per cent. 1860 months, 167 1/2 per cent. 1872 months, 168 1/2 per cent. 1884 months, 169 1/2 per cent. 1896 months, 170 1/2 per cent. 1908 months, 171 1/2 per cent. 1920 months, 172 1/2 per cent. 1932 months, 173 1/2 per cent. 1944 months, 174 1/2 per cent. 1956 months, 175 1/2 per cent. 1968 months, 176 1/2 per cent. 1980 months, 177 1/2 per cent. 1992 months, 178 1/2 per cent. 2004 months, 179 1/2 per cent. 2016 months, 180 1/2 per cent. 2028 months, 181 1/2 per cent. 2040 months, 182 1/2 per cent. 2052 months, 183 1/2 per cent. 2064 months, 184 1/2 per cent. 2076 months, 185 1/2 per cent. 2088 months, 186 1/2 per cent. 2100 months, 187 1/2 per cent. 2112 months, 188 1/2 per cent. 2124 months, 189 1/2 per cent. 2136 months, 190 1/2 per cent. 2148 months, 191 1/2 per cent. 2160 months, 192 1/2 per cent. 2172 months, 193 1/2 per cent. 2184 months, 194 1/2 per cent. 2196 months, 195 1/2 per cent. 2208 months, 196 1/2 per cent. 2220 months, 197 1/2 per cent. 2232 months, 198 1/2 per cent. 2244 months, 199 1/2 per cent. 2256 months, 200 1/2 per cent. 2268 months, 201 1/2 per cent. 2280 months, 202 1/2 per cent. 2292 months, 203 1/2 per cent. 2304 months, 204 1/2 per cent. 2316 months, 205 1/2 per cent. 2328 months, 206 1/2 per cent. 2340 months, 207 1/2 per cent. 2352 months, 208 1/2 per cent. 2364 months, 209 1/2 per cent. 2376 months, 210 1/2 per cent. 2388 months, 211 1/2 per cent. 2400 months, 212 1/2 per cent. 2412 months, 213 1/2 per cent. 2424 months, 214 1/2 per cent. 2436 months, 215 1/2 per cent. 2448 months, 216 1/2 per cent. 2460 months, 217 1/2 per cent. 2472 months, 218 1/2 per cent. 2484 months, 219 1/2 per cent. 2496 months, 220 1/2 per cent. 2508 months, 221 1/2 per cent. 2520 months, 222 1/2 per cent. 2532 months, 223 1/2 per cent. 2544 months, 224 1/2 per cent. 2556 months, 225 1/2 per cent. 2568 months, 226 1/2 per cent. 2580 months, 227 1/2 per cent. 2592 months, 228 1/2 per cent. 2604 months, 229 1/2 per cent. 2616 months, 230 1/2 per cent. 2628 months, 231 1/2 per cent. 2640 months, 232 1/2 per cent. 2652 months, 233 1/2 per cent. 2664 months, 234 1/2 per cent. 2676 months, 235 1/2 per cent. 2688 months, 236 1/2 per cent. 2700 months, 237 1/2 per cent. 2712 months, 238 1/2 per cent. 2724 months, 239 1/2 per cent. 2736 months, 240 1/2 per cent. 2748 months, 241 1/2 per cent. 2760 months, 2
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— *Journal of the American Medical Association*, 1997

